Daily Report

Central Eurasia

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FBIS-SOV-96-048 *11 March 1996*

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Russia: Talks Opened With Hijackers in Munich

LD0803235096 Moscow ITAR-TASS World Service in Russian 2332 GMT 8 Mar 96

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[FBIS Translated Excerpt] BONN, 9 Mar (Itar-Tass) — A few minutes after the Boeing-727 passenger aircraft, hijacked by four armed Chechen terrorists, landed at Munich airport — which happened at about midnight local time (0200 hours Moscow time) — first contact was established with the hijackers.

The criminals urgently demanded that they be provided with a Turkish-speaking interpreter. It has been learned from informed sources that immediately after an interpreter arrived at the plane, talks began between the terrorists and the crisis HQS which has been set up, consisting of representatives of the special services and the authorities. "There are considerable language difficulties," experts stressed. [passage omitted]

Russia: Hijackers Release Hostages; Surrender to Authorities

LD0903061396 Moscow ITAR-TASS World Service in Russian 0420 GMT 9 Mar 96

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[FBIS Translated Text] Bonn, 9 Mar (Itar-Tass) — Hostages on board the Boeing-727 airliner hijacked on Friday 8 March by four Chechen terrorists left the plane this morning, a spokesman of the Munich police reported.

Having released all the hostages at Munich Airport, the terrorists who hijacked the Boeing-727 airliner on surrendered themselves to the authorities.

Russia: 'Single Turkish Terrorist' Responsible for Hijacking

LD0903071196 Moscow ITAR-TASS World Service in Russian 0632 GMT 9 Mar 96

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[FBIS Translated Text] Bonn, 9 Mar (Itar-Tass) — The Boeing-727 passenger airliner flying the Cyprus-Istanbul route was hijacked by a single Turkish terrorist who later forced it to land in Munich. A police spokesman said this at a news conference held at Munich Airport after the hijacker released all the hostages and surrendered himself to the Munich authorities.

Up to this moment all the media, with reference to well-informed sources, has been reporting the involvement of some four terrorists of Chechen origins. In the course of initial questioning, the detained hijacker said that he "wanted to make a point for the Chechen conflict to be solved," and that he is not a terrorist.

It has been established that the 21 year-old hijacker did not have a bomb and his pistol was a replica.

Russia: Boeing Hijackers Used Russian Passports

LD0803232296 Moscow ITAR-TASS World Service in Russian 2310 GMT 8 Mar 96

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[FBIS Translated Text] BONN, 9 Mar (Itar-Tass) — The Boeing-727 aircraft with over 100 passengers on board which was hijacked by four armed Chechen terrorists landed at the airport of the Bavarian capital, Munich, at about midnight local time (approximately 0200 hours Moscow time).

Before the airliner landed, a crisis HQS was set up at the airport. Its members include representatives of special services and the authorities.

As was learned here today, the first results of the investigation into the circumstances surrounding the hijacking have shown that the four Chechen terrorists who hijacked the Turkish Cypriot Airlines plane arrived on Cyprus several days ago, using Russian passports valid for foreign travel.

Russia: Maskhadov Wounded in Clash With Raduyev Supporters

LD0903180496 Moscow ITAR-TASS in English 1753 GMT 9 Mar 96

[FBIS Transcribed Text] GROZNYY, March 9 (Itar-Tass) — Chechen military chief Aslan Maskhadov was reportedly injured on Saturday, according to unverified reports.

A trustworthy source in Chechen law enforcement agencies told Itar-Tass that Maskhadov had received a heavy injury near the village of Gerzel, Gudermes district, located on the border with Dagestan.

However, the source said that the information had not been confirmed yet.

According to reports, Maskhadov was injured in a clash with the late Salman Raduyev's militants over 1.5 million U.S. dollars, contributed by rebels' secret sponsors, that Raduyev, who was killed on Wednesday, had seized.

The clash was preceded by the assassination of a Chechen criminal authority called Batya and Raduyev's five supporters in the Shelkovskoy district of Chechnya.

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Russia: Ten Peace Agreements Signed in Chechnya

LD1103151896 Moscow INTERFAX in English 1413 GMT 11 Mar 96

[FBIS Transcribed Text] GROZNYY, March 11 (Interfax) — Some 10 peace agreements have been signed in Chechnya by representatives of federal troops, the Moscow-backed government in Groznyy and regional leaders, a spokesman for the federal headquarters told Interfax Monday.

He said some communities do not want Chechen separatist formations in their territory, "realizing that their presence means grief and destruction."

"Militants are constantly provoking federal troops to use force against individual communities," the spokesman said.

According to him, fire was opened at federal positions from Kurchaloi Monday, but federal troops did not retaliate.

Russia: Groznyy: Kulikov, Zavgayev Arrive 8 Mar

LD0803140496 Moscow ITAR-TASS World Service in Russian 1348 GMT 8 Mar 96

[FBIS Translated Text] Groznyy, 8 Mar (Itar-Tass) — An ITAR-TASS correspondent has learned that Russian Interior Minister Anatoliy Kulikov and Chechen Republic head Doku Zavgayev arrived in the Chechen capital from Moscow today.

Russia: Groznyy: Situation Changing in Favor of Federal Units

LD0803150796 Moscow INTERFAX in English 1404 GMT 8 Mar 96

[FBIS Transcribed Text] GROZNYY, Mar 8 (Interfax) — The situation in Groznyy is changing in favor of Russian federal units, Chechen Deputy Interior Minister Yuriy Plugin told Interfax Friday morning.

The Chechen Interior Ministry's units are preparing for a mop-up operation, he said.

Plugin emphasized that he has no reports on separatists leaving the city. He said that only local exchanges of fire occurred in the city this morning.

Plugin believes that federal forces must seize the initiative in the afternoon today.

According to Plugin, eight Chechen police were killed in the fighting, eight Interior Ministry officers were injured and 20 are listed as missing.

Meanwhile, an official in the territorial board of the Russian executive branch told Interfax Friday that groups of about 10 separatists each are staying in the Staropromyslovskiy, Oktyabrskiy and Zavodskoy districts of Groznyy.

It is business as usual in all essential services of the Chechen capital, the official said.

Deputy Prime Minister Abdula Bugayev of the Moscow-backed Chechen government will hold an extraordinary meeting shortly to discuss the situation in Groznyy.

The official quoted the federal command as saying that Russian Defense Ministry units lost four men, interior troops seven and the Interior Ministry two on March 7. Six other Defense Ministry troopers, 39 servicemen of the interior troops and eight Interior Ministry officers were wounded.

Russia: Groznyy: Correspondent Reports on 'Tense' Situation

LD0803181996 Moscow NTV in Russian 1600 GMT 8 Mar 96

[From the "Segodnya" newscast]

[FBIS Translated Text] The work of journalists in Groznyy is still extremely difficult. The authorities give "concern for their safety" as grounds for their actions toward representatives of the mass media.

Sergey Agaponov has the details about today's situation in Groznyy.

[Agaponov] The situation is even more tense in the southern part of the Chechen capital. Around 200 federal servicemen are still blocked in Staropromyslovskiy District where the temporary directorate of the Internal Affairs Ministry is situated.

All attempts by the federal forces to unblock the former main directorate of operational headquarters ended fruitlessly.

Military sources claim that the clashes that are taking place in the town may be called local and brief.

Meanwhile, as reported from Groznyy yesterday evening, fairly large Dudayev subunits numbering up to 200 people each were holding a clinic in the Zavodskoy District, the hospital, and an internal affairs department.

Reports that the separatists have been driven out of their have not come in. The conclusion may be drawn from this that the troops have so far only blockaded these installations and are not undertaking active measures. Battles will flare up again with renewed force as soon as the command to storm any shelter is given.

The same military sources report that fighters are still operating in small mobile groups throughout the town.

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striking at federal forces' checkpoints. Every such strike costs the military lives.

Information about the losses is very contradictory. Thus, according to official information, by the end of yesterday, there were 58 soldiers and officers from the Internal Affairs and Defense Ministry's subunits. Unofficial sources reported that the interior troops alone lost 70 killed, 160 wounded, and 40 missing in action.

Over the past 24 hours, the spokesmen of the federal forces' command claim, nine Interior Ministry staff and internal troops, and also four Defense Ministry servicemen have been killed.

Moreover, observers are trying to clarify the number of dead and wounded among the federal troops. A trustworthy source thinks that at least 100 people have been killed and 400 have been injured.

It is even more difficult to name the exact number of killed and wounded among Dudayev's men. According to information from some sources, 150 separatists have been killed. Others say 300 have been killed.

Experts who have analyzed the situation and counted the approximate number of armed people on both sides have concluded that for resistance to be successful, and, ultimately, to destroy Dudayev's men, the federal forces in Groznyy should have forces which are greater in number by an order of magnitude.

Information that reinforcements from the Defense Ministry will be brought into the town have not yet been confirmed.

At the same time, representatives of official Groznny authorities state that the extremely complex situation in the southern part of the town is being maintained also partly because it is namely there that the fighters are trying to break out of Groznyy.

There is information that last night a considerable number of them left the town. However, it is practically impossible to verify this information. On the other hand, it is quite clear that peaceful inhabitants are leaving the town.

Incidentally, there are also those who are not afraid to go out onto the streets and even to trade.

According to Abdulo Bugayev, deputy prime minister of the Chechen Government, every measure is being taken to inform people about the danger of being out in the street, especially in motor vehicles. First, everything that moves is shot at. Second, as spokesmen of the Chechen Interior Ministry maintains, Dudayev's men seize motor vehicles, especially such as Nivas, or VAZs which have enhanced cross-country capability, and also take hostages.

The fate of the kidnapped Volga Don Construction constructions workers is still unknown. Dudayev's men seized around 100 workers on the first day of the fighting.

Internal Affairs Ministry representatives claim that today they detained a group of persons wearing combat fatigues who tried to pass themselves off as militiamen. It is unlikely that Dudayev's men would let themselves be taken without any resistance. The men who were detained are most likely just passers-by.

Official Groznyy authorities think that the operation to clear the town of fighters will be over by the end of the day.

Observers think that the fighting will end in another 24 hours but only if the command of the federal forces takes some radical measures against the fighters. Analysts state that the bringing in of fresh subunits into the town and the order to destroy the fighters regardless of federal losses may be practically the only such measure.

[Video shows unsteady camera shots, gunfire, men running, men in combat fatigues with firearms astride APC's, ruined buildings, people taking shelter.]

Russia: Dudayev Radio Urges Federal Troops To Surrender Arms

LD0803181896 Moscow NTV in Russian 1600 GMT 8 Mar 96

[From the "Segodnya" newscast]

[FBIS Translate Text] According to an INTERFAX report, a radio station of Dudayev's formations today broadcast a call to federal forces' servicemen to surrender their weapons, guaranteeing on Dudayev's behalf an unhindered return home.

Judging from this action, Dudayev no longer has any illusions about the outcome of the operation in Groznyy, all the more so, since, according to the Groznyy authorities, what was unexpected for them was that a certain part of the inhabitants joined in the operation against the fighters.

Russia: Zavgayev: Most Militants Have Left Groznyy

LD0903142796 Moscow ITAR-TASS World Service in Russian 1040 GMT 9 Mar 96

[By ITAR-TASS correspondent Aleksandr Kharchenko]

[FBIS Translated Text] Groznyy, 9 March (Itar-Tass) — According to Doku Zavgayev head of the republic, as of 1500 [1200 GMT] all evidence of armed Dudayevite

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resistance had left Groznyy except for one pocket in the southern part of the Chernorechye housing area which is in the northern Staropromyslovskiy District of the city.

"On the whole the city is calm, there is no cause for panic, the authorities in the republic are functioning fully," Doku Zavgayev said.

Referring to the events over recent days, Zavgayev called them "purely bandit actions, without any political overtones." He noted that on Friday the militants had begun to leave Groznyy heading towards the southern mountainous Districts of Chechnya, centered on Achkoy-Martan and Vedeno. Doku Zavgayev said that they were followed by strings of carts carrying their booty; televisions, carpets, refrigerators, anything that could be carried.

Concerning resuming negotiations with the Dudayevites, Zavgayev said that "now that Groznyy has once again been littered with corpses, one must talk to the terrorists in their own language."

"I was ready to talk to them but if they prefer to speak to the people of the republic in the language of automatic weapons, then what is there to talk to them about?"

Doku Zavgayev today held an emergency government meeting to deal with providing Groznyy with water, bread and medical assistance.

Russia: Russians, Chechens End Fighting in Groznyy

LD0903161996 Moscow ITAR-TASS in English 1601 GMT 9 Mar 96

[By Aleksandr Kharchenko]

[FBIS Transcribed Text] GROZNYY, March 9 (Itar-Tass) — A bloody armed confrontation between Russian troops and Chechen rebels in the centre of Groznyy ended with the cessation of fire by both sides at about 14:00 Moscow time on Saturday.

With the ceasefire in place, traders and street peddlers began to arrive at Groznyy's central marketplace located 400 metres from the House of Government. Journalists received access to the sites of overnight and morning fighting.

The House of Fashion, the centre of fighting, and several adjacent houses are lying in ruins rattled now and then by the blasts of time bombs planted by Chechen rebels and exploding since morning.

The central part of the city is covered by a huge cloud of black smoke from a blazing mazout pipeline near an oil refinery in the Staropromyslovskiy district in the north of Groznyy.

By noon, shooting had ceased near the local bus station where sporadic fire had been heard throughout the night and in the early hours of Saturday.

Trustworthy sources in the Chechen Interior Ministry told Itar-Tass that by 13:00 Moscow time the Chechen government and law enforcement leaders had ended their meeting in Grozny's Severniy airport, eight kilometres from the centre of the city.

The meeting had been chaired by Interior Minister Anatoliy Kulikov.

Speaking at a press conference after the meeting, Doku Zavgayev, head of the Moscow-backed government of Chechnya, said that practically all pockets of resistance had been destroyed in Groznyy by 15:00 Moscow time, except in the Chernorechye residential area in the Staropromyslovskiy district.

"On the whole, the situation in the city is calm and there are no reasons for panicking. The government in the republic operates in full," he said.

Commenting on the recent events in the city and the republic in general, Zavgayev described them as "purely bandit, without any tinge of politics."

He stressed that rebels had begun to leave Groznyy on Friday heading for southern mountainous regions in Chechnya — Achkhoy-Martan and Vedeno — "followed by wagons of stolen goods: TV sets, carpets, refrigerators and clothes."

Speaking about prospects for the resumption of talks with Chechen rebels, Zavgayev said that "after Groznyy had once again been covered with corpses, we must conduct the talks with terrorists in their language."

"I am ready to talk to them. But if they prefer to talk to the people of the republic in the language of submachine guns, then there is nothing we can discuss with them," he added.

Russia: Groznyy Under Control of Federal Authorities Again

LD0903211496 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 9 Mar 96

[From the "Vremya" newscast presented by Igor Vykhukholev]

[FBIS Translated Excerpt] ITAR-TASS reports that today has brought substantial changes in the operational situation in Groznyy. Dudayev's men have withdrawn part of the large subunits from the city, leaving behind only separate covering groups. Nevertheless, the operations by the federal troops against the armed fighters

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have continued throughout the day. Our special correspondent, Grigoriy Brynza, reports from the capital of Chechnya.

[Brynza] Groznyy is full of the smell of gunpowder and burning oil. [passage omitted]

It is very dangerous for them to go outside and move around the city just as before. True, it is not always that safe to stay at home either. Four people were killed in their own courtyards yesterday [8 March], opposing bandits who tried to steal the most valuable things from their homes.

At a press conference today, Doku Zavgayev, the head of the Chechen Republic's Government, told journalists that the situation in the city is completely under the control of the federal troops and the members of staff of the local militia.

However, at the present time, as I make this report to you, rounds of shots from assault rifles and machine guns have started to resound in different areas of Groznyy, as well as shots fired from guns. Fierce exchanges of fire are taking place and, judging from the shots I can hear, real fighting is going on in Zavodskoy District.

Members of staff of Chechnya's Ministry of Internal Affairs who are taking part in this operation along with the subunits of the federal troops, have lost more than 20 killed in the last 24 hours and approximately 30 wounded.

There are many snipers in the city. The remaining groups of armed fighters are extremely mobile, Yuriy Bogin [as heard], deputy minister of Chechnya's Ministry of Internal Affairs, stated yesterday. They move about the town in Niva and UAZ vehicles. This is why a real hunt for vehicles of that make was announced a little while ago.

This morning in Groznyy, Anatoliy Kulikov, the minister of internal affairs, discussed issues relating to the normalization of the situation in Groznyy with the heads of the bodies of law and order and the commanders of the temporary grouping of federal troops. It was acknowledged that in the first few days after the armed fighters had attacked the city, there was a certain lack of coordination between the military structures. The number of victims from this action, which is still continuing, is more than 100 people killed just among the power structures. At today's news conference the head of government did not specify the amount of material damage that the republic has suffered due to the fighting. However, it is obvious that it amounts to tens of billions of rubles.

He appealed to the armed fighters to lay down their arms and also added that, since the city has been crammed with corpses once again, he does not intend to hold talks with [Dzhokhar] Dudayev any more. Grigoriy Brynza, ORTV1, Groznyy.

Russia: Main Dudayev Forces Reportedly Leave Groznyy

LD1003161196 Moscow INTERFAX in English 1408 GMT 10 Mar 96

[FBIS Transcribed Text] GROZNYY, March 10 (Interfax) — The main forces of Chechen separatist rebels left Groznyy, the capital of Chechnya, on Sunday afternoon, a source in the command of Russian federal troops in Chechnya told Interfax.

No major combat actions were registered in Groznyy Sunday, the same source said. However, sporadic clashes between federal forces and "bandit formations" were reported in some districts of the Chechen capital, the same source said.

Some Groznyy residents fought against federal troops on the side of separatist guerillas who have penetrated into the city, the same source said. "Some militants left (the city) while others hid their weapons and returned home," the military source said.

Chechen separatist rebels left Groznyy's Staropromyslovskiy district where their large formations had been since March 6, the source said, adding that some groups of rebels continued to act near the chemical plant and the Lenin oil refinery in Groznyy's Zavodskoy district.

Several Chechen sniper positions were reported in Groznyy's Oktyabrskiy district, the same source said. "Federal troop units and Chechen law enforcement agencies have been sent there to eliminate them," the source said.

Federal troops are now "cleaning" various districts of the city, the same source said.

Several more days will be required to free Groznyy from rebel snipers and dispose of mines in Groznyy buildings, the military source said.

Russia: Deputy Chechen Premier Reports on Groznyy Situation

LD1003175696 Moscow NTV in Russian 1600 GMT 10 Mar 96

[Interview with Abdulla Bugayev, first deputy prime minister of the Chechen Government, by correspondent

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Sergey Dedukh; Bugayev in Groznyy, Dedukh in studio; from the "Segodnya" program — recorded]

[FBIS Translated Text] [Dedukh] Abdulla (?Makhmudovich), what is the situation in Groznyy now? In which districts is the war continuing? We would like to know.

[Bugayev] There are no combat operations on the territory of Groznyy at the moment as such.

[Dedukh] So, all the hotbeds of resistance have been extinguished, including in Staropromyslovskiy District, too?

[Bugayev] They have been extinguished in some places and in others the fighters have left.

[Dedukh] Can the fighters be considered to have been completely driven out of Groznyy? Or, having hidden their weapons, have they dissolved among the peaceful inhabitants? What do you think?

[Bugayev] A considerable part have left but according to the information of our law enforcement bodies some of them have dissolved among the peaceful population. That is a well-known tactic.

[Dedukh] Can it be considered that it has been possible to rebuff the attack on Groznyy, that this operation has been completed at this moment?

[Bugayev] I would call this operation "strange." Why? Because illegal armed formations entered the town very freely on the 6 and 7 March and lorded it here for practically two days. But only on the third day was it possible to take active measures with the participation of the local militia and with federal grouping subunits.

[Dedukh] Why the delay? Why did they have such freedom of movement and action over the two days?

[Bugayev] We were told that criminal proceedings had been instituted on this matter and an investigation has begun.

Russia: Bamut: Fighting Likely To Continue 'Another Few Days'

LD1103103496 Moscow Radio Rossii Network in Russian 1000 GMT 11 Mar 96

[FBIS Translated Text] Fighting continues in the region of the village of Bamut, an important base of Dudayev's fighters. A RIA Novosti correspondent was told this today by a competent source at the main ground troops headquarters. He said that the 19th Motor-Rifle Division is engaged in the storming of Bamut. Some reports say that no less than 200-250 fighters were killed and wounded during the fighting. The officer believes that the main task of the fighters' recent incursion into Groznyy is to attempt to force back federal troops units who have been storming the last mountain bases of Dudayev's men. He also added that the storming of Bamut would probably continue for another few days.

Russia: Bamut: Chechen Commander Threatens Execution of POWs

LD1003195896 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1900 GMT 10 Mar 96

[FBIS Translated Text] On 10 March the members of the Memorial Society delegation led by [human rights campaigner] Sergey Kovalev were invited to a confidential meeting where Colonel Ruslan Kharkharoyev, commander of the Bamut battalion of the Chechen armed formations, announced that his battalion was holding about 90 Russian prisoners of war in the Bamut-Orekhovo area. Ekho Moskvy radio station learned this from Andrey Blinushov, member of the observer mission of non-governmental human rights organizations in Chechnya.

Because of the incessant air raids over Bamut, Ruslan Khakharoyev has issued an order to shoot five prisoners after each air raid, until the air raids cease. The first five men have already been executed.

In response to an appeal from the human rights commissioners to annul the order, he agreed to suspend it for five days, on condition that his announcement and the conditions for carrying out the order were reported on Russian television, and that representatives of Kovalev's mission go to Bamut, where they would be given the opportunity to meet the prisoners of war and would be given a complete list of them.

Russia: Sernovodsk: Troops Stop Shelling; Blockade Continues

LD0803151596 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 8 Mar 96

[FBIS Translated Text] Despite the aggravation of the situation, an emergency sitting of the government took place in Groznyy today. Measures were outlined to restore the town's vital facilities.

Deputy Prime Minister Abdula Bugayev said that Groznyy is virtually without drinking water. The militants have blown up three water intakes. There are also power supply interruptions.

Bugayev stressed that, despite the tragic events in Groznyy, the process of signing peace and accord protocols has been continuing. Evidently, this does not apply to the settlement of Sernovodsk. For that matter, the federal forces stopped shelling Sernovodsk today but

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the village continues to be blockaded. Ekho Moskvy was told this by Boris Agapov, Ingushetia's vice president:

[Begin Agapov recording] The troops have gone into Sernovodsk. There is no dense firing — it is quiet. Armored vehicles of the federal troops are driving up and down the streets of Sernovodsk but local residents are not being allowed to enter or leave. The refugees who are in Ingushetia are not being allowed back or admitted, they are not being permitted to enter. Those who remained in Sernovodsk are also not being allowed out. [end recording]

I'll add that some 14,000 refugees from Sernovodsk are now concentrated in Ingushetia. According to Agapov, some 3,000 to 4,000 people remain in the village.

Russia: Sernovodsk: Chechen Militants Still Resist Federal Forces

LD1003164796 Moscow INTERFAX in English 1408 GMT 10 Mar 96

[FBIS Transcribed Text] GROZNYY, March 10 (Interfax) — Around 50 militants remained out of 660 who resisted federal forces near the settlement of Sernovodsk in western Chechnya, a spokesman for the federal command of Russian troops in Chechnya told Interfax on Sunday.

Interior troops supported by Russian army units are "combing" the territory, said the spokesman.

Federal troops and militants exchanged fire, he said.

Russia: Minister Mikhaylov Discusses Terrorism in Chechnya

BR0803151796 Paris LE FIGARO in French 8 Mar 96 p 2

[Article by Vyacheslav Mikhaylov, member of the Security Council and Russian minister for nationalities and federal relations: "Terrorism in Chechnya"]

[FBIS Translated Text] The world will understand that our young democratic state is capable not only of carrying out powerful actions by force, but also of doing delicate, subtle, and scrupulous work aimed at resolving one of the most difficult problems existing today. Ultimately they are large-scale acts aimed at defending human rights. Russia wants to make it totally impossible to harm a peaceful population.

Nonetheless the special local operations against the bandits — a number of mercenaries and criminals from all over the place gathered in Chechnya to seek military gain — will be conducted in the firmest manner.

The skill of the current Russian politicians will reside specifically in how they combine these measures. A number of them will have to learn to differentiate between terrorists who are pillaging and killing peaceful civilians, taking women and children hostage, and the troops fighting under Dudayev owing to an acknowledged vendetta or following the death of people close to them or the destruction of their home.

Moscow understands that today the peace process in Chechnya and the reform of the Russian Army, the creation of special antiterrorist groups capable of neutralizing Dudayev's troops, trained — we note — abroad, assume the same importance.

For an interim period, two brigades of the Defense Ministry and Interior Ministry will have to remain in Chechnya, as laid down in the agreement concluded with Dudayev's partisans last summer. We cannot allow the peaceful population to sink into misery or deliver it into the hands of the divided Chechen leaders who are not getting along.

The consequences of the Chechen tragedy will make themselves felt for more than a year. Indeed, apart from those with whom talks can be held and agreements concluded, there are bandits fighting under Dudayev's flag who are not controlled at all by him, or by anyone else for that matter. In this situation it is essential that we list the terrorist acts they have planned, as well as those planned by the troops led entirely by the rebel general. We have enough precise information about these acts and we will, I believe, be able to prevent a large number of them.

At the same time I cannot offer a complete guarantee against Dudayev's terrorism. On the other hand the recent threats made to Western countries by the Chechen leader are based on strictly nothing as far as I am aware.

Split in Dudayev's Ranks?

The dialogue within Chechnya itself, which is currently intensifying, assumes a non-negligible importance for finding a practical settlement to all the Chechen and Chechen-Russian problems. I believe I am right in claiming that the sharpness [as published] of the military climate in Groznyy today is the result of fruitful talks held by Doku Zavgayev, the current head of the Republic, in the Republic's various areas. The general evidently fears a split among the men who are true to him as well as the collapse of the social base underpinning his regime. Peace is not the most comfortable of environments for leaders of this type.

The solution of the Chechen problem cannot be separated from the general political situation in Russia. Of course Boris Yeltsin's success in the presidential election will depend to a large extent on the results of the activity of federal authorities in Chechnya. Unfortunately

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some rather serious attempts are being made to play this "card" in the struggle to win voters' support. However, it would seem that this political chorus is not of the best quality. The president believes it would be in the voters' and all Russians' interests for the candidate head of state and deputies in the Duma to help the country at the same time, making joint efforts to put an end to this lingering Chechen crisis.

Political maturity and political skill will not go unnoticed by the voters or by the new democratic Russia.

Russia: 'Itogi': Wage Real War in Chechnya or Withdraw Troops

LD1003205296 Moscow NTV in Russian 1800 GMT 10 Mar 96

[Video report by correspondent Sergey Agaponov; from the "Itogi" newscast]

[FBIS Translated Excerpt] It was in the Chechen capital once again where the separatists carried out their most audacious and bloodiest actions since the fighting by Dudayev's men in Groznyy last year. Having attacked federal forces' checkpoints on the outskirts of the town on 6 March, several hundred fighters penetrated Groznyy effortlessly and waged hostilities against Russian troops. [passage omitted]

It should be said that some experienced military men, such as, for instance, General Gromov, who argue for withdrawing the Armed Forces from Chechnya and leaving only interior troops there, are deeply deluded, overestimating the possibilities of the Interior Ministry subunits.

Several days of fighting in Groznyy have shown that the interior troops, with all the lauded special-purpose forces, and moreover, with the Chechen militia, with Beslan Gantemirov's people, are able to compete with difficulty against the combat training and firepower of the fighters of Maskhadov and Basayev. [passage omitted]

The decisions made during the Chechen campaign by some officers and generals often amaze observers by their strangeness, at least. The Groznyy events were no exception to this, either. In communications with their superiors, commanders of subunits who were defending themselves at checkpoints, strong points, or simply in houses, asked frequently for help or at least ammunition. But they did not receive either.

There are probably two reasons why the soldiers and officers who were surrounded and were being destroyed by Dudayev's men were left to the mercy of fate: Either those who ought to know simply did not know and do not know how to move up reinforcements and ammunition to help those who are surrounded; or they knew and do know but were afraid and are afraid to do that, evidently expecting the Chechens also to attack and to destroy servicemen who have gone to the assistance of their military comrades who are surrounded. In saving the lives of some, or so it seems to them, the brasshats thereby are dooming others to probable death, but, in reality, fear one thing only — how to avoid assuming responsibility.

Chechen General Maskhadov, who was once a colonel in the Soviet army, and Chechen General Basayev, who was never a serving officer in the Soviet army, have once again shown their fighting ability. Incidentally, it is not difficult to demonstrate one's fighting ability with people going quite calmly to meet their deaths. Russian soldiers have nothing to die for — neither in Groznyy nor in any other settlement in Ichkeria.

Blown up at small checkpoints [blokpostik], small strong points [opornyy punktik], and small commandant offices [komendanturka], demoralized and without a purpose, and standing endlessly in Chechen mud, the Russian military machine, headed by generals who call fierce battles resulting in mass deaths a kind of purge, lost tens more of their soldiers and officers in the fighting in Groznyy.

Dudayev is the only one with whom agreement on peace in Chechnya can be reached. No statements by the president, visits by ministers, meetings by commissions aimed at bringing to light a Chechen peacemaker except Dudayev will lead to an end to the war.

The war must be waged either to a victorious end — but then it should be a war with artillery strikes, air strikes, and even hand-to-hand encounters. Or it must be stopped completely and every soldier to the last man must be withdrawn from Chechnya.

Otherwise, Dudayev will prepare another speech and a further thousand bayonets by the next Security Council session or the next anniversary of Shamil.

Exchanges of fire are continuing in Groznyy today.

Russia: Yeltsin's Chechnya Settlement Options Weighed

MM0703154196 Moscow IZVESTIYA in Russian 6 Mar 96 p 2

[Article by IZVESTIYA Analysis Center's Teymuraz Mamaladze: "Brainstorming Against the Backdrop of Sernovodsk in Flames"]

[FBIS Translated Text] The president has said that he has seven different proposals for a settlement in Chechnya on his desk. Access to them via the presidential

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structures has proved difficult; however, some of the authors have, at our request, communicated their proposals to IZVESTIYA. Moreover, a considerable amount of the other plans has been openly published in the press, making it possible for us to examine and compare them.

The latest worsening of the situation in Chechnya has fatefully coincided with a new upsurge in political thinking. The attack in Sernovodsk and the brainstorming in Moscow are two poles on which thinking has again diverged, highlighting once again not just the numerous incompatible elements in approaches, interests, and "policies," but above all the actual state of society and the regime.

For all the subtleties and differences in the specific approaches, the following points of coincidence stand out clearly:

1) either the immediate and rapid withdrawal of federal troops or their phased, protracted withdrawal (Dzhokar Dudayev, the Chechen diaspora, G. Yavlinskiy, V. Lysenko, and the group comprising R. Abdulatipov, Ye. Gaydar, S. Kovalev, and others);

2) the implementation of the terms of the (30 July 1995) agreements on the set of military questions (Lysenko and others);

3) peace talks with the participation of all the people involved in or responsible for the conflict, that is to say, Yeltsin and Dudayev plus "all the autonomous sides able to influence the situation," on a completely equal footing (R. Khasbulatov, M. Gorbachev, the Chechen diaspora, D. Beritashvili, and others);

4) talks at the level of Zavgayev and Dudayev (Yavlinskiy, Lysenko, and Shaymiyev);

5) the holding of a referendum on the territory of Chechnya to determine whether its population wishes to remain part of Russia or not. Some proposals envisage that the Chechnya-wide poll be carried out region by region while, for example, particular measures of pressure are applied;

6) tight border control, a blockade, and an end to the financing of Chechnya out of the federal budget (V. Lysenko and N. Gonchar).

Highly exotic elements occasionally crop up in the models on offer: the conclusion of a National Reconciliation Charter or nonaggression pact between the centers of power existing in Chechnya and the creation of a national guard for Zavgayev's government — experience invalidated by Afghanistan, let alone the states of the former USSR.

The profusion of Chechen settlement plans is a phenomenon which deserves special analysis. The drafters of the settlement plans are very diverse, ranging from the former president of the USSR to current Russian presidential contenders, from the heads of Federation components to former prime ministers.

The result of all the cogitation — a lofty aspiration — is remarkable, remarkable in itself as an indicator of a kind of public consensus regarding the Chechen war but difficult to analyze. The substantial gaps in the overall scheme are much easier to identify.

Most of the authors imagine that everything will be the way they want it to be or see it. This starry-eyed or canny political desire to stake out their own patch is predicated on a belief in the omnipotence of an academic mind which is capable by means of logical, rational syntheses of resolving a situation which is now, for the most part, illogical and irrational. The following factors are tragically ignored here: 1) the different values of the sides involved in the conflict; 2) the multiple components of the Russian and Chechen policies, strictly speaking, and the different thrust of the interests implemented within and without them; 3) the "human factor," the psychology and personal traits of the key figures in the current confrontation; 4) the sorry experience of attempts to settle such conflicts — international, "neighboring," and actual Russian experience of designing rational blueprints for "building peace" in certain republics of the former USSR.

Having repeated in Chechnya the experience of inspiring and supporting "neighboring" regimes and conflicts, the Russian elite is now repeating these largely superannuated blueprints.

The resort to existing experience is useful from the standpoint of determining Russia's real state interests. We would stress here common but not old-guard, group, or clan interests. If the powerful dictation to the republics of the former Union regarding how they should settle their conflicts stemmed from the multinational mentor's mistaken or misconstrued notions of what was good or bad for him (a case in point is strong, integrated or weak, fragmented Georgia — a classic example of ambiguous policy), now the mentor doing the dictating is considering the real interests of Russia itself in conjunction with his own. Dictating to himself, he asks the question: What in the current situation is really beneficial to Russia and what is not? As I see it, Chechnya has helped initiate the crystallization of these ideas and form a kind of single entity. The peace initiatives stem from the most unexpected people. It is significant that even the defense minister is adjusting the aim of his previous remarks and actions while not, however, denying himself the pleasure of pronouncing his favorite word, "bandits."

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Let us, by the way, look at the language here. The phraseology and rhetoric employed create an atmosphere surrounding the events to no less, if no greater, an extent than the speculative settlement plans. This worldwide lesson has been poorly digested by the elites of the sides in conflict and by their advisers from political circles and the mass media. The verbal content of any conflict can either cause the conflict to explode like a bomb or can clear the minefield, as it were. This is as plain as ABC, but the grammar of fighting and the language of the big guns drown it out. Chechnya is no exception.

An equally obvious truth, albeit one not in demand to date, is that in any circumstances peace talks, if they start, must be based on each side's having clear ideas of "first, the aims, and, second, the price they are ready to pay for them" (D. Beritashvili, Russian Academy of Sciences Institute of Gene Biology). These and similar public instructions to potential participants in talks presuppose the "examination of a set of risks unacceptable to the sides in close linkage with a set of joint standpoints, first and foremost the standpoint of ensuring maximum protection of the lives of ethnic groups already weakened by economic, political, and military pressure."

It is also difficult not to subscribe to the ideas concerning the unfeasibility of the plans to cordon Chechnya off. The idea of a referendum based on regions, which could first dismember Chechnya and then cause a chain reaction breaking up the huge territory running from Kaliningrad to the Kuril Islands, is equally unpromising. And the idea of creating pro-Moscow paramilitary formations is altogether dangerous. "All the attempts to promote this in the former republics of the USSR have ended in crime-ridden chaos, which may have been in line with the intentions of the agencies in charge, but in this case we are dealing with Russia," the academic analyst from the Institute of Gene Biology writes, reminding us of the consequences of handing over Russian weapons to Sangak Safarov in Tajikistan, Kitovani in Georgia, the Ardzinba regime Abkhazia, the Dniester region guard in Moldova, and the Dudayev formations themselves in Chechnya.

Brainstorming does not always take the form of a pointless, stultifying exercise which merely mimics the search for long-term solutions. The settlement models under examination manifestly lack the "technological" component of effective peacemaking. On the other hand, the elements of the negotiating mechanism, the makeup of the delegations, and so forth are clearly present and in good working order. Here the authors focus our attention on those individuals capable of turning things round as opposed to those figures who helped inspire the conflict. The following are cited most often as potential participants in talks on the Russian side: [Tatarstan President] Mintimer Shaymiyev, [Nizhniy Novgorod Governor] Boris Nemtsov, [Ingushetia President] Ruslan Aushev, [Chuvash Republic President] Nikolay Fedorov, and other heads of components of the Federation and members of the Federation Council — the body which more than any other should concern itself with the strength of Russian federalism.

But no more so than the president, whose hands on the helm of state government are perfectly capable of steering the settlement in the requisite direction — in both his own short-term, pre-June interests and Russia's long-term national and state interests.

We wait and see.

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Russia: Suggestions Offered at Geneva Nuke Test Ban Talks

LD0803142796 Moscow ITAR-TASS in English 1409 GMT 8 Mar 96

[By Konstantin Pribytkov]

[FBIS Transcribed Text] GENEVA, March 8 (Itar-Tass) — The Russian delegation is in favour of including the problem of nuclear disarmament on the agenda of the U.N. Disarmament Conference in Geneva, this and a number of other suggestions aimed at imparting dynamism to the forum's work, in the framework of which talks on a comprehensive nuclear test ban treaty are underway here, were put forward by Russian diplomats on Thursday.

Head of the Russian delegation Grigoriy Berdennikov, who addressed the plenary session, recalled "Russia has been consistently in favour of a full and general nuclear test ban". "Since the proclamation of its independence she has not conducted any nuclear explosion, strictly adhering to the declared moratorium", he said.

It is thought in Moscow that linking the comprehensive test ban treaty to "certain provisional frameworks and timetables of cutting down and ultimately terminating nuclear arsenals" may, taking into consideration existing political realities, only considerably hamper working out a document. A group of non-aligned nations, in particular India is inclined towards such linking. At the same time, the United States and their western allies have vigorously opposed such scenario, he said.

According to the Russians, International Monitoring System (IMS) should become the most important component of the comprehensive nuclear test ban treaty. The Russian delegation is "firmly in favour of equal conditions for controlling existing nuclear testing sites by improving seismological and radionuclide sub-systems of the IMS".

The Russian delegation regards on the spot inspection as an integral part of the international rules and regulations of checking observance of the comprehensive nuclear test ban treaty. However, in the delegation's opinion, such inspections should be carried out "only as an exclusive measure, when all the other methods of clearing the situation have been exhausted".

Berdennikov noted with satisfaction the growing support to the Russian suggestion regarding bringing into force the agreement. Essentially there is a need to get the document ratified by all states, which possess nuclear energy or nuclear research reactors, which are included in the list of the International Atomic Energy Agency (IAEA).

The Russians also do not refuse to consider other suggestions to resolve this issue. However, all attempts to reduce the number of ratification deeds, required for implementing the comprehensive nuclear test ban treaty, in comparison with those suggested by Russia, turned out to be ineffective. Using the formula by simply recording the number of countries "may lead to a situation, when the treaty may come into force without key states from the point of view of its effectiveness". As far the procedure of withdrawing from the treaty Russia suggests to establish a prior notice period of 12 months. Such a long period will enable to take measures to clear and improve the situation, which has led a state to take a decision to withdraw from it.

These suggestions, the head of the Russian delegation summed up, lead to conclude a treaty, which is in the national interests of Russia.

Russia: London Conference Views Russia's Economic Development

LD0803154096 Moscow ITAR-TASS in English 1521 GMT 8 Mar 96

[By Vitaliy Makarchev]

[FBIS Transcribed Text] LONDON, March 8 (Itar-Tass) — The West is interested in a stable and democratic Russia, this conclusion was reached by participants in the seminar "Russia: from stabilization to a steady growth", underway in London, under the aegis of the European Bank for Reconstruction and Development (EBRD).

A large group of members of the Russian State Duma, led by first deputy speaker Aleksandr Shokhin is taking part in the forum's work.

Stability in Europe and the world to a large extent depends on how events take place in Russia in the near future, chief adviser of the bank "Morgan Grenfell" Rodric Braithwaite said, inaugurating discussions. According to him, lawful geo-political and economic interests of Russia must be respected by its western partners.

Western experts also noted that lately marked trends towards economic growth may transform in a considerable growth of Russian industry during this year itself, provided political stability is maintained.

Russian members of parliament, who represented all main factions of the State Duma, expounded their views on the general situation in the country and ways of its economic development.

Meetings between Russian parliamentarians and high-ranking representatives of the International Monetary Fund (IMF) and the World Bank (WB) were held within

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the framework of the seminar. Aleksandr Shokhin told Itar-Tass that such meetings are extremely important, since they contribute to a better mutual understanding between Russia and international financial institutions.

Russia: Yeltsin To Attend International Conference on Terrorism

LD0803154396 Moscow ITAR-TASS World Service in Russian 1528 GMT 8 Mar 96

[FBIS Translated Text] Moscow, 8 Mar — Russian President Boris Yeltsin will take part in the upcoming summit devoted to a peace settlement in the Near East and combating international terrorism. The summit will take place on 13 March in the town of Sharm al-Shaykh (Egypt).

ITAR-TASS learned this today from the Russian Foreign Ministry's press service.

Russia: Statement on Russian Participation at Terrorism Summit

LD0903154096 Moscow ITAR-TASS in English 1527 GMT 9 Mar 96

[FBIS Transcribed Text] MOSCOW, March 9 (Itar-Tass) — Russian presidential spokesman Sergey Medvedev issued a statement on Saturday welcoming the upcoming summit meeting in Egypt to boost the peace process in the Middle East and pool international efforts to fight terrorism.

Following is the full text of Medvedev's statement as received by Itar-Tass:

"A summit meeting on the Middle East peace process and fighting international terrorism will be held in the Egyptian city of Sharm al-Shaykh on March 13 at the initiative of the leaders of Egypt and the U.S. The Russian president will attend the meeting as a co-sponsor of the peace process. The leaders of a number of countries of the Middle East, Northern Africa, the European Union and other countries have expressed their intention to participate in the meeting.

"The meeting will open with the speeches of its chair President Husni Mubarak, and Presidents Boris Yeltsin and Bill Clinton. Other leaders will also make speeches.

"The representative forum in Sharm al-Shaykh will give a new impetus to the Middle East peace process and maintain its dynamics. The unprecedented wave of terrorism and violence in the Middle East and a number of other regions is a dangerous challenge to peace and security of our planet and civilised international relations. Recent events underscore the importance of the need to increase the effectiveness of the existing, and work out new effective, international legal mechanisms for fighting terrorism and consolidating efforts of the international community to fight this evil. [sentence as received] Russia is ready for close cooperation and hopes that the upcoming summit meeting in Egypt will be a useful contribution to the normalisation of the situation not only in the Middle East, but in international relations in general."

Russia: Medvedev Cited on Yeltsin Attendance at Summit on Terrorism

LD0903180996 Moscow INTERFAX in English 1806 GMT 9 Mar 96

[FBIS Transcribed Text] MOSCOW, March 9 (Interfax) - Russian President Boris Yeltsin will take part in the summit dedicated to the peace process in the Middle East and fight against international terrorism which will take place in Sharm al-Shaykh, Egypt, on March 13, presidential spokesman Sergey Medvedev said in a statement received by Interfax Saturday.

The summit has been initiated by the Egyptian and U.S. presidents.

Yeltsin will participate in the summit as a co-sponsor of the peace process in the Middle East, Medvedev said.

The leaders of several countries of the Middle East, North Africa, the European Union and other countries have declared their intention of attending the summit.

Egyptian President Muhammad Husni Mubarak, who will chair the forum, Russian President Boris Yeltsin and U.S. president Bill Clinton will open the summit.

The forum in Sharm al-Shaykh which will collect the leaders of many countries is aimed at giving a new impetus to the Middle East peace process, Medvedev said.

"The unprecedented wave of terror and violence in the Middle East and a number of other regions has become a dangerous challenge to peace and security on our planet and to civilized international relations," Medvedev said.

The recent developments prove how important it is to raise the efficiency of existing legal mechanisms for combatting terrorism and work out new mechanisms based on international law, Medvedev said. The recent events also prove the necessity to consolidate efforts made by the entire world community "in order to combat this evil," he said.

"Russia is ready for close interaction and hopes that the coming summit in Egypt will be a useful contribution to normalizing the situation regarding not only the Middle East but international relations as a whole," Medvedev said.

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Russia: Caspian Oil, International Security Forum Held

MM1103114396 Moscow EKSPRESS-KHRONIKA in Russian 7 Mar 96 p 3

["Own information" report: "Status of Caspian"; received via internet]

[FBIS Translated Text] Moscow — Questions of the legal status of the Caspian Sea and the regulation of the development of deposits on its shelf were discussed 5 March by the participants in the international seminar "Caspian oil and international security." Representatives of the "Caspian five" states (Kazakhstan, Turkmenia, Russia, Iran, and Azerbaijan) differed in their assessment of the Caspian's status. Kazakhstan Foreign Minister Mr. Gizzatov stated that his state sees the Caspian Sea as an internal sea and demands that it be divided into zones between the littoral states. In that case in developing deposits on the shelf the state will do so without agreement with the other "Caspian five" countries. This concept is also supported by Azerbaijan.

The other Caspian states view the sea as a "zone of common use." This approach provides for the sides' equality in the use of the Caspian's resources. In the opinion of the Azerbaijan representative, the "common use" regime will lead to a deterioration of the sea's ecological state since in that case it is difficult to develop an effective mechanism for monitoring the ecological situation.

Russia: Seleznev Views Swedish Ties, NATO, Chechnya

LD0803194796 Moscow ITAR-TASS World Service in Russian 1558 GMT 8 Mar 96

[By ITAR-TASS special correspondents Nikolay Vukolov and Pavel Kuznetsov]

[FBIS Translated Text] Stockholm, 8 Mar — "We are very pleased with what we have managed to see and hear in Sweden," Gennadiy Seleznev, chairman of the Russian parliament's lower chamber told a news conference here today. The conference was devoted to the results of the official visit to Sweden by a Duma delegation he is heading.

Interparliamentary contacts, he emphasized, should be stepped up and made to reflect the long-standing and traditionally good-neighborly relations between Russia and Sweden.

The positions of our countries, said Seleznev, coincide on many issues. In particular, the Duma speaker's impression from his meetings with Swedish MPs and the country's foreign minister was that "we are finding common ground and understanding regarding the question of NATO's possible eastward expansion". The search for ways to set up a collective security system in Europe "should not involve NATO," as the discussions in Stockholm have shown.

Replying to an ITAR-TASS correspondent's question, the head of the Russian parliamentary delegation stressed that the question of Chechnya "was not directly raised" in his conversations with his Swedish hosts. Nonetheless, he noted, it was discussed indirectly, as it is impossible to ignore this problem, which represents a very substantial factor in Russian domestic policy.

It would be desirable to familiarize oneself with the decisions on the settlement of the situation in Chechnya, adopted at the Security Council meeting held in Moscow on Thursday, the speaker of the State Duma noted. At the same time, he voiced hope that the decisions took account of the Duma's recommendations regarding this issue. He recalled that members of parliament recommended, in particular, that the intra-Chechen dialogue should be stepped up. Gennadiy Seleznev thinks that leaders of Tataria and Bashkiria, where most of the population is Muslim, could be more active in resolving the Chechen question.

Apart from that, the Duma speaker thinks that it could be possible to set up a "kind of cordon sanitaire" preventing dollars, drugs, and weapons from reaching Chechnya, so that "this plague should not spread to other Russian regions".

Replying to Swedish journalists' questions on the course of the Russian presidential campaign, Seleznev voiced the view that if the elections take place in keeping with the law, in an honest manner, and without any underhand deals, and if the leftwing coalition broadens its base even more, then Gennadiy Zyuganov can win outright during the first round. Should this be the outcome, the process of privatization "will be continued without a hitch on the basis of the law, but it will no longer be able to develop according to criminal scenarios."

Russia: Russian, U.S. Peacekeepers Hold Joint Exercise in Bosnia

LD1003205496 Moscow ITAR-TASS in English 1955 GMT 10 Mar 96

[By Andrey Naryshkin]

[FBIS Transcribed Text] ZAGREB, March 10 (Itar-Tass) — A Russian peacekeeping brigade and the U.S.' First Division of the international peace implementation force started a scheduled joint exercise in northern Bosnia today.

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An IFOR [Implementation Force] spokesman told Itar-Tass the two contingents would drill joint operations under IFOR's mandate.

A 50-member U.S. unit has come to Uglevik, the site of the Russian brigade's headquarters, to drill the peacekeeping tasks.

The exercise will last for three days.

Russia: Yeltsin Wants Extension to U.S.-Soviet Maritime Deal

LD0903175796 Moscow ITAR-TASS in English 1743 GMT 9 Mar 96

[FBIS Transcribed Text] MOSCOW, March 9 (Itar-Tass) — "Pursuant to the federal law 'On International Treaties of the Russian Federation' (clause 2 of Article 23), I hereby submit to the State Duma my proposals on the extension, until June 30, 1996, of the temporary application by the Russian Federation of an agreement between the Union of Soviet Socialist Republics and the United States of America on the maritime delimitation line signed in Washington on June 1, 1990," Russian President Boris Yeltsin said in his message to State Duma Chairman Gennadiy Seleznev on Saturday.

The agreement, which was ratified by the U.S. Senate on September 16, 1991, has yet to be ratified by the Duma.

The former Soviet government and the U.S. Administration also reached an understanding in the form of an exchange of notes during the signing of the agreement, under which they pledged to comply with it until the agreement becomes effective, starting June 15, 1990.

Russia, as the legal successor to the Soviet Union, has so far observed the agreement.

The agreement establishes the principles of delimitation of the territorial sea, the exclusive economic zone and the continental shelf of Russia and the U.S. in the Sea of Chukotsk, the Bering Sea, the Arctic Sea and the Pacific Ocean.

The delimitation of these maritime areas is provided for in international law and Russian legislation, particularly in the federal law "On the Continental Shelf of the Russian Federation."

The agreement resolves a whole number of complex issues connected with the delimitation of jurisdiction in the utilisation of maritime resources. However, it does not fully meet Russia's fishing interests.

Over the last two years the Russian government has been engaged in intensive talks with the American side in a bid to minimise the damage caused to Russia's fishing interests by the signing and temporary application of the agreement.

The U.S. has not so far agreed to make any concessions to resolve the problem to Russia's benefit. However, not all opportunities have been used yet.

In this connection, it seems expedient to extend the temporary application of the agreement until June 30, 1996. Meanwhile, Russia will continue talks with the U.S. in order to find a mutually acceptable solution to the problem of fishing in the Bering Sea, Yeltsin said in his message.

Russia: Professor Allison Cited on Continuing Nuclear Threat

MM1103110296 Moscow EKSPRESS-KHRONIKA in Russian 7 Mar 96 p 3

[Report by Ye. Maksimenko: "Nuclear Threat"; received via internet]

[FBIS Translated Text] Moscow — "The nuclear threat has not disappeared. The risk of nuclear war has decreased but there is a possibility of nuclear explosions in Russia and the United States by terrorist organizations," Graham Allison, professor at the Harvard University school of state management and a director of the center for science and international relations, stated at a press conference. He said that Russia's uncontrolled and badly controlled depots of nuclear substances are the main source for the dissemination of nuclear weapons and fissionable materials which later end up in the hands of terrorists and countries which support international terrorism. G. Allison's press conference was held 1 March at the Russian-American information press center.

Russia: Intelligence Official Rejects German 'Accusations'

AU1003193596 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 9 Mar 96 p 12

[Article by Yuryi Kobaladse, a general in the Russian Foreign Intelligence Service: "Espionage Reduced to a Sensible Level"]

[FBIS Translated Text] The president of the German Federal Office for the Protection of the Constitution, Geiger, has accused the Russian Foreign Intelligence Service of returning "increasingly to the traditional methods" of intelligence service activities and of regarding Germany as the key to Europe and NATO. I am not surprised at that, since such accusations are becoming increasingly frequent these days. Yet the Russian Foreign Intelligence Service has announced more than once that after 1991, when foreign intelligence was

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made an independent organization, the staffing of both its central organization and the foreign representations was reduced significantly — 30 to 40 percent of its former level. Our activities have thus been reduced to a sensible level. That also applies to Germany. The German authorities are very well aware of that.

But I would like to add that we never said that Russian intelligence would stop its activities altogether. Neither have the United States, France, Britain, or Germany said that they would do without their intelligence activities. Nor are we aware of Germany considering closing down its representation in Moscow. On the contrary. We have been informed that a Russian citizen was exposed as German agent last year. That means that the German service still recruits people. It is naive to demand from us what the Germans themselves are not doing.

In view of the fact that the world has changed after the end of the Cold War but has not become much safer, we have offered all intelligence services cooperation on questions that are of mutual interest or involve general dangers. These include problems such as nonproliferation of mass destruction weapons, drug dealing, international terrorism, and organized crime. We use this channel quite actively to exchange information and for mutual help, and we appreciate it.

Mr. Geiger said that Germany now expects Moscow to stop its intelligence activities altogether. This is wishful thinking. I cannot imagine that Russia, a country that, irrespective of all its problems, remains a major power without which no international problem can be solved, will abandon its intelligence activities in the near future. Nor do I think that other leading countries in the West or East will make do without their intelligence services. If politicians come to an agreement, such a thing could happen. But I do not see such a step being made today.

Another of Mr. Geiger's accusations — that our intelligence uses industry as camouflage and that numerous former agents are active in industry — is not new either. This is common practice in the entire civilized world: When someone leaves the public service, they can work in any commercial structure, in any industry, or in any other organization. They can choose their jobs themselves. The fact that our former employees now work in commercial structures or in banks only proves that they are very proficient in foreign languages, have a profound knowledge of the international situation, and the ability to maintain contacts. But it is absurd to say that a former KGB member does not have the right to work in civilian jobs.

Mr. Geiger has also created the impression that Germany has every reason to suspect us of doing illegal things. If one makes such allegations, one has to mention specific facts, otherwise the whole story is unfounded. As far as espionage against Russia is concerned, the U.S. secret service has publicly stated that its interest for us and the CIS countries has not diminished after the collapse of the Soviet Union, but that it has even increased and that it is necessary to recruit more agents. The United States and other Western countries make no secret of the fact that Russia and the CIS countries are of interest to their intelligence services.

We are not threatening anyone. We do not think that NATO or another country poses a real threat to Russia. Yet we do have our national interests. If these interests are mutual ones, as is the case in the fight against the proliferation of mass destruction weapons or against international terrorism, we are prepared to cooperate.

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Political Issues

Russia: Yeltsin Pondering Future of Grachev, Lobov

LD1103104796 Moscow ITAR-TASS World Service in Russian 0924 GMT 11 Mar 96

[By ITAR-TASS observer Tamara Zamyatina]

[FBIS Translated Text] Moscow, 11 Mar (Itar-Tass) — Russian president Boris Yeltsin is at present deciding the future of two leaders of federal structures, namely Defense Minister Pavel Grachev and Security Council Secretary Oleg Lobov.

At the end of February Oleg Lobov underwent a serious heart operation. Last Thursday, immediately after having his stitches removed, he took part in a sitting of the Security Council against his doctors' advice, but this turned out to be too much for him: Oleg Lobov was taken urgently to the Central Clinical Hospital, straight from the Kremlin. It is clear that during the period of recuperation, which could last several months, Oleg Lobov will be unable to carry out the duties of secretary of the Security Council, let alone those of Russian presidential envoy to the Chechen Republic. In other words, he needs to be replaced.

On the other hand, Boris Yeltsin is being told with increasing insistence that he will not win the presidential elections with Pavel Grachev and the weight of Chechnya around his ankles. Boris Yeltsin said as much himself at his recent meeting with the editors-in-chief of the Russian media in the Kremlin. And this is the point being made also by First Deputy Premier Oleg Soskovets, Boris Yeltsin's election campaign coordinator.

In recent days even the Defense Ministry apparatus has begun saying that Pavel Grachev could be moved to the Security Council to replace the ailing Oleg Lobov.

This prospect has caused embarrassment in the Security Council apparatus. One of its leading experts told the ITAR-TASS observer: "Army General Pavel Grachev is not suited to the tasks of providing analytical support for the activity of the head of state, which is what the efforts of the Security Council's interdepartmental commissions are directed at. In particular, appropriate skills are required to service the center at the president's Kremlin residence which monitors the day-to-day situation."

However, the ITAR-TASS observer has learned that there are two other potential candidates for the post of secretary of the Security Council. They are Yuriy Baturin, national security assistant to the Russian Federation president and also Vladimir Shumeyko, former speaker of the Federation Council, who holds no state office at present and who has a great personal interest in occupying this post.

Against the background of the continuing Chechen crisis and the crisis of the executive's social policy, which the head of state has acknowledged, the Security Council will acquire increasing influence in the next few months. The nature of that influence will depend to no small extent on the personal qualities of the individual who heads the Security Council.

In the liberal environment, the view has become established of the Security Council and Ministry of Defense as structures that should ensure the state's development along civilized lines in strict compliance with the constitutional principles of protecting human rights and the interests of society. In line with this idea, it is desirable for the two structures to be headed by civilians, by people of a democratic mind capable of balancing the needs of military and civilian departments and of preventing methods of force from prevailing in domestic and foreign policy.

Russia: Yeltsin Takes More Aggressive Stance Against Communists

MK1103085796 Moscow KOMMERSANT-DAILY in Russian 7 Mar 96 p 3

[Report by Natalya Kalashnikova: "The Struggle Continues and Will Exacerbate Closer to the Presidential Election"]

[FBIS Translated Text] Boris Yeltsin's statement at the All-Russia Legal Reform Congress was couched in rather sharp tones. In contrast to his first preelection speeches devoted almost entirely to the reform process and social issues, this time Yeltsin came up with open counterpropaganda, offering tough rebuttal to his opponents. Even a cursory look at the president's statement yesterday shows that Boris Yeltsin's election campaign has entered a new phase: The nonaggression pact in the course of the election race has proved nonviable. "Today the political struggle continues, and it will exacerbate as the presidential election draws nearer," the president stressed.

What is the reason for this toughness? The impression is that some fragments of Yeltsin's speech are in effect his direct response to a number of recent statements by opponents from the leftist camp. Meanwhile the opposition camp has come out with some unexpected, if not sensational, proposals for the incumbent president. Thus, Duma Speaker Gennadiy Seleznev has observed recently that Yeltsin has a chance of going down in history as "the first and last president of Russia." The speaker invited the head of state to initiate legislation

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introducing an amendment in the Constitution on the abolition of the presidency from 1997. He is convinced that "many parties and movements will support this move and agree not to go ahead with the election."

The opposition's veiled proposal that the election be moved at first glance appears attractive. Maybe the leftists are no longer so confident of their victory? After all, some of Zyuganov's allies — Baburin and Anpilov — at the founding ceremony for a leftist bloc named after him, failed to sign a coalition agreement. The leaders of the Russian People's Union predicated his support for Zyuganov on all coalition members recognizing such provisions as "the need to prepare a new Constitution establishing public oversight of state authority; a phased restoration of the state unity of the nationalities that constituted the USSR; the creation of a coalition government of national trust; a constructive revision of privatization results, taking into account national-state interests; the institution of public control over the mass media; and the restoration of state economic regulation." Should these conditions be accepted, Russian People's Union Chairman Baburin will sign the agreement on creating a coalition and nominating Zyuganov as a single candidate from the national-patriotic opposition.

True, Zyuganov observed that the Baburin and Anpilov case was not a problem but only a matter of time. There is little reason for doubt here: The positions of the CPRF leader himself, which he articulates in a deliberately incoherent form, are similar to the aforementioned ones. In the event of victory, he pledges "to retain a diversified economy, consolidate the freedom of speech, and create economic conditions whereby the working people will enjoy a good life style throughout the country" (the voter, however, can be puzzled by the expediency of "consolidating" the freedom of expression, which, as is known, either exists or does not, and also the vague aspiration to "do good" to the working people).

In light of Seleznev's proposal, it is worthy to note another statement by Zyuganov, who has recently complained that "in a plundered and humiliated country there will be no victors in elections" because the newly elected president will have, "together with his team, to put on crowns of thorns and get down to arduous, creative work." The real reason for the initiative to postpone the election should probably be looked for in this martyrdom image. In other words, the leftists do not doubt their victory in the election, but the situation in the country is not favorable and the leftist coalition has no answer to the question of "how to create conditions whereby the working people will have it good." Yeltsin, who has actively set about improving the social sphere and who is supported by foreign credits (which, judging by the economic plans of Zyuganov's team, can be cut off for it), could well rectify the situation and thus even help the opposition waiting for its time to come. History shows, however, that the only possible form of administration in the context of economic crisis under Soviet rule has always been dictatorship. And the deeper the crisis, the tougher the dictatorship.

This is how Boris Yeltsin himself commented on the situation: "The advocates of a return to the past are not hiding their intentions. They are seeking to abolish the presidency and restore the system of Soviets, and if the Constitutional Court stands in the way of this, they will deal with it." In this event "the country will again end up with an all-powerful ruler shielded by the so-called collective leadership." Yeltsin painted his picture quite emotionally. He also recalled Spain under Franco and Chile under Pinochet, where law and democracy triumphed in the end: "We should do the same, but not at the price of reaction and terror. We have no right to allow yet another exodus from Russia of those of its sons and daughters who put freedom above all else." Speaking about economic difficulties which led to the flight of talented youths from the scientific sphere, Yeltsin said that "from 1997 it is planned to drastically revise budget policy. Education and science will become a priority." Although, the president stressed, "it is naive to hope that drastic transformations will happen all at once, and painlessly."

His counterpropaganda speech, however, lacked the word "Communism" while the subject of Stalinist repression, a losing proposition with the non-Yeltsin part of the electorate, was hushed up (in historical digressions, foreign dictators stood him in good stead). The president apparently heeded the advice not to be too ideological in his election campaign. Yet, the tactic of tough pressure, his usual forte, was used again. It may not duly work on the "nontraditional" electorate but will be instrumental in putting things in the right perspective for the pro-Yeltsin electorate, or rather that part of it which has not yet understood the nuances of the opposition electoral program.

Russia: Gaydar Fails To Persuade Nemtsov To Run for President

LD0703212296 Moscow Radio Rossii Network in Russian 1900 GMT 7 Mar 96

[FBIS Translated Text] On Thursday, we reported that Yegor Gaydar, leader of the Democratic Choice of Russia Party, was paying a working visit to Nizhniy Novgorod. He told our correspondent he had gone there to persuade governor Boris Nemtsov to change his mind and agree to run for president on behalf of the

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democrats. Gaydar's latest attempt has failed. With the details, here is Igor Stanovoy:

[Stanovoy] The leader of Democratic Choice of Russia was not concealing his plan. As he told a news conference at the end of the visit, his day in Nizhniy Novgorod and his trip around the region and discussions on current economic and political issues underlined the total coincidence of all views but one — the proposal of Boris Nemtsov as a united democratic candidate for president. Nemtsov himself has on several occasions said he does not want to run in the election, and declined to comment further.

According to Gaydar, both men are keeping their opinions on this to themselves. Because Russia's democrats are unlikely to find a new united candidate in the time remaining — and Gaydar has nobody in mind apart from Chernomyrdin and Nemtsov, who have refused to run — the democrats will have to choose between Yeltsin and Yavlinskiy, neither of whom has much of a chance. That means the communists' candidate is most likely to win, and now is the time to start thinking about life under the new regime.

Russia: Lebed Quits 'People's Power'; Seen Losing Support

MK1103073596 Moscow SEGODNYA in Russian 7 Mar 96 p 2

[Report by Gleb Cherkasov: "Aleksandr Lebed Has Set Out to Sea All Alone. The Future of His Political Career Will Be Decided in the Next Few Months"]

[FBIS Translated Text] The departure of deputy Aleksandr Lebed from the "People's Power" group is not a sensation as it is. It is quite common for a deputy to wander from one group to another, even if the parliamentarian enjoys a great popularity. Of much greater interest, however, are the reasons that have made Mr. Lebed do so.

The easiest and the most widespread explanation — whereby Mr. Lebed has left in order to become an independent deputy because he has firmly made up his mind to run for the presidency and, for that reason, wants to be completely independent — is not convincing enough. As a rule, deputy groups try to avoid any harsh statements concerning internal political issues; their interior rules are very democratic, therefore it can be hardly believed that being a member of "People's Power" could do any harm to Aleksandr Lebed's election campaign. The fact that Nikolay Ryzhkov, leader of "People's Power," supports Gennadiy Zyuganov's candidacy, is also irrelevant: So far, this has not prevented Svyatoslav Fedorov, group member, from running for head of state. In addition, Mr. Ryzhkov supported Mr. Zyuganov as a public organization leader, rather than on behalf of the deputy group.

It seems that there is no use in looking for any convincing justification of Aleksandr Lebed's move whatsoever. If we recall all details of Mr. Lebed's political career, we will see that all actions of the former commander of the 14th Army have been either illogical, or sure to fail. Skipping details, we have to admit that in 10 months Aleksandr Lebed has turned from a promising politician, believed to be a most probable contestant for the presidency, into an ordinary deputy, being, at best, among top ten aspirants for the Kremlin.

It seems sometimes that Mr. Lebed is simply at a loss and does not know what to do. After Yuriy Skokov has practically refused to support his presidential aspirations, Aleksandr Lebed was left virtually without any support structures, financial sources, or a team. For sure, the results of the parliamentary election were a heavy blow to Mr. Lebed's ambition: He probably was unaware of the fact that there is some difference between a popularity rating and actual sentiments of voters. He is trying fervently to enlist at least somebody's support, but there are few people today who would be willing to form a union with Mr. Lebed.

Mr. Lebed's political career is similar in some ways to that of Aleksandr Rutskoy, although, of course, the former army commander has remained too far from the heights reached by the former military pilot. Both of them launched into politics having virtually no appropriate skills and experience. As a result, Aleksandr Rutskoy has found himself among political outsiders. The future of Aleksandr Lebed will depend on the way he conducts his election campaign. It should be noted that, in order to remain a real political figure, he would not necessarily need to win the election.

Russia: Anpilov Collects 500,000 Signatures on Nomination List

LD0903155696 Moscow INTERFAX in English 1320 GMT 9 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 9 (Interfax) — As of date, some 500,000 Russian voters have signed presidential nomination lists in support of the leader of the Working Russia movement Viktor Anpilov, the movement's press chief Lyudmila Smirnova said.

It is possible to collect the necessary number of signatures under the Anpilov nomination lists, Smirnova told Interfax, and the Anpilov-for-President committee hopes to submit the nomination lists to the Central Electoral Commission mid-next month. Under Russian law, a bid for presidency must be supported by at least 1 million

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voters but a constituent part of the Russian Federation may be represented by no more than 70,000 signatures in a citizen's nomination lists.

Anpilov enjoys the biggest following in the suburbs of Moscow and St. Petersburg, and in Smolensk, Smirnova said.

Russia: Gorbachev Names Prospective 'Democratic Team'

LD0903191296 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1700 GMT 9 Mar 96

[FBIS Translated Text] "The democrats can create the most powerful, professional, effective and authoritative united team, which will propose whom to nominate as president, who is to be the prime minister, the foreign minister and others," former USSR President Mikhail Gorbachev told EKho Moskvy radio station in a live interview.

He said "even now one can name the members of such a team." "One potential member could be Grigoriy Yavlinskiy, who, despite all his ambitions, is a careful politician and is capable of compromise when the rules of the game are proposed to him and the team named," Gorbachev reckons.

Gorbachev thinks that "members of the democratic team could be Vladimir Lukin — he's a ready-made foreign minister; Aleksandr Lebed is a man capable of doing something in the military sphere; Sergey Glazyev has proved himself from the professional point of view and has experience of working as a minister; then there is Nikolay Gonchar and others."

"These are fresh faces, and we should pass the baton on to them," Gorbachev declared. He said that, as as a presidential candidate, he is "ready to step aside for a single candidate from the democratic team and to submit to the will of the team".

"I regard it as a priority to form a democratic coalition," Gorbachev underlined.

Russia: Yavlinskiy 'Will Never Withdraw' From Presidential Race

LD0903151796 Moscow INTERFAX in English 1320 GMT 9 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 9 (Interfax) — The Yabloko leader Grigoriy Yavlinskiy has told Interfax that he will never withdraw from presidential race.

According to him, "the rumors spread from the White House (Interfax's note: Russia's Government) and from Staraya Square (headquarters of the president's staff) that Yavlinskiy will give up his candidacy in favor of Boris Yeltsin are groundless."

These rumors are spread for the purpose of compromising him by those, who fear that he will win the elections, Yavlinskiy said. Such "forecasts" are made by those, who are interested in splitting the supporters of Yabloko and attracting people from the democratic-minded electorate, who have not made up their minds yet, to their own side, he said.

"No pressure, no circumstances will make me withdraw from the presidential race; I will take part in the elections and win them," Yavlinskiy pointed out.

Russia: Yavlinskiy Bid for Presidency Said 'Risky' for Reform

MM0803155796 Moscow ROSSIYSKIYE VESTI in Russian 7 Mar 96 p 2

[Article by Nikita Vaynonen: "Where Is Yabloko Headed?"]

[FBIS Translated Text] "Yabloko will not back Boris Yeltsin under any circumstances," G. Yavlinskiy proclaimed on NTV. But the next day a "third force" — Lebed, Rutskoy, Svyatoslav Fedorov, and... Yavlinskiy, who has sided with them, made its presence felt?! Or have they sided with him? Right now it is unclear. As for the organizing trio, the title "The Swan, the Crab, and the Pike" suggests itself. However, more reshuffles and get-togethers evidently lie ahead, and we may witness even more exotic combinations. But the past week has at least clarified one thing: The hope of the reformers' fielding a single candidate — which was fairly faint as it was — has been lost once and for all. Needless to say, that is nothing sensational, no one expected anything else, particularly of Yavlinskiy. But it is still hard to refrain from assessing his position.

He says that both Yeltsin and Zyuganov are equally unacceptable. What is this: thoughtlessness or treachery? Or, on the contrary, some kind of "lofty" principledness that is reluctant to take account of "base" tactics? In my view, none of the three. It is quite simply adventurism on the part of an ambitious man.

Does Yavlinskiy stand a real chance of winning the presidential election? No serious study has yet confirmed that. As for various coalitions, all options remain fantastic: Leaders are too vain to make concessions to any one person; their voters are too diverse — incompatible, even. Elections are not like the accumulation of capital when the result is equal to the sum of the component parts; subtrends also need to be calculated. How many will defect from the Yavlinskiy camp just

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on learning of the rumors of his possible alliance with Rutskoy? Yet what a tough and principled statement he made! "That's enough," he said, "of choosing the lesser of two evils; we need to hold normal, democratic elections." The "two evils" are Yeltsin and Zyuganov and a "normally elected" president would, consequently, be Yavlinskiy. Does he find the Communists "unacceptable"? Were Zyuganov to win and were he thrown the lure of the premiership.... Oh yes, that would of course be a far lesser evil than the Zyuganov-Tuleyev ticket, so why not choose on the basis of that logic? Incidentally, for quite a long time now Yavlinskiy has not caused Zyuganov offense and they have more and more in common when it comes to lawmaking. Just see whom Yavlinskiy considers the "lesser evil."

It emerges from his latest statement that it is Zyuganov, since Yavlinskiy has learned by rote all the Communist "abuse" of the "regime."

He says that the authorities have "become a corrupt mafia structure." This is the purely Bolshevik approach: It is well-known that "the people" do not like "the bourgeoisie," "bureaucrats," or intellectuals. He does not have to prove anything — he just takes one look and then indiscriminately labels them "Contras," "kulaks," or "enemies of the people...." People older than Yavlinskiy know from their own experience what criminal authorities are, what their habits are, yet he now finds it so easy to arrogantly utter criminally frivolous phrases.

Yet he knows that he is lying! The fact that the mercenary bureaucracy has become intermeshed with mafia structures is a lamentable fact that presents a grave problem for the state, but lumping together those who are trying to resolve that problem and those who have created it just means precluding the possibility of a solution. Yavlinskiy evidently does not realize that whereas coming from him the idea that the authorities have degenerated and are serving the mafia can still be described as something of an exaggeration or rhetoric, for the Communists, particularly those like Anpilov and Tyulkin, this idea constitutes a quite definite action program. And helping them instill it in the minds of the masses is an extremely risky undertaking.

So, who gives the Communists the "best present"? Yeltsin, it turns out! Why is that? Because he "will probably lose"! In this conviction of his Yavlinskiy expresses equally touching solidarity with the reactionaries. Few people are worried about the personal reasons for his categorical statement (he says: If Yeltsin gave up, I would...). This has the effect of bald propaganda in people's minds: One prominent democratic leader is convinced that Yeltsin will be defeated. Well, for whom is that a gift?

Needless to say, a victory for Yeltsin is by no means guaranteed from on high. No Cassandra now will say who will gain the upper hand. By June their chances will most likely be roughly the same and will be frozen in unsteady equilibrium. Every voice, every argument, every personal position may be crucial. In that situation Yeltsin's running for president is a question not of lust for power but of courage. His rejoinder at the plant when workers asked to be photographed with him is etched in my memory: "What if I am not elected?" It seemed to be joke, but look at what was behind it....

An adventurer is unaware of such torment. He seeks the simplest, most superficial explanations for everything. Is Yeltsin's popularity on the increase? There is no mystery in that! "That is natural, given the lack of problems with newspapers and television," Yavlinskiy thinks. Once again the facts are distorted. The problems remain, they have even worsened, for both the president and many journalists and media. Whereas last year, when there were obviously fewer of these problems, the president's popularity fell rather than rose. There is evidently something else at stake. People capable of sober reflection are starting to come to their senses. Even if in some cases it takes them a long time.

Chechnya has been heart-rending. Yavlinskiy speaks of the "war course" allegedly being pursued by the president. No one in their right mind can support such a "course"! Clearly only historians will find out who caused this war. Does Yavlinskiy know how to put an end to it without in the process choosing the very "least of the evils"? How can we extricate ourselves from it without "evil" — without bloodshed and enmity? Without suppressing banditry, looting, and the widespread brutality? Without curbing the bitterness that cannot be curbed? Without begging forgiveness for all the things that cannot be forgiven...?

Adventurism evidently always goes hand in hand with over-simplified opinions. Perhaps Yavlinskiy knows a solution to the nonpayment situation, to the investment crisis that would not mean choosing the least of the evils but would smell as sweet as Mayday carnations? What new elements can there be in his election program apart from the best elements of Gaydar's monetarist policy and Zyuganov's "social market economy"? Unless General Lebed makes some suggestion. How does Yavlinskiy intend to reduce the tension over wages and pensions? The present authorities, he said, will not manage to safeguard themselves by "paying the millions what they are owed." If President Yavlinskiy — whose Duma faction voted in favor of raising the minimum pension

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and wage — starts making payments, that will be not populism but "sensible social policy...." No, indeed, it is with good reason that the Communist press has of late been so loyal to the Yabloko leader — we share friends and songs....

But there is still a difference. If a vote for the Communists is predominantly a protest, more complex factors prompt support for Yavlinskiy. Many people still see him as a contemporary, cultured leader. I feel sorry for those who have been duped by the Communists. But I feel even more sorry for those who have been duped by Yavlinskiy. His appearance before the people will evidently be akin to something out of a kind of intellectual religion. The press has already cited figures showing that 36 percent of Russian citizens polled by the All-Russia Center for the Study of Public Opinion on Social and Economic Questions would "undoubtedly welcome" or "rather welcome" a Communist's election as president, while 47 percent would be "undoubtedly opposed" or "rather opposed." A Zyuganov victory would represent a "legal" violation of the will of the majority of the nation. But Yavlinskiy cannot unite that majority. Only Yeltsin is up to that task. If he is helped rather than hindered.

Russia: Soskovets: Oil Industry Restructuring Largely Complete

LD1003105796 Moscow ITAR-TASS World Service in Russian 0700 GMT 10 Mar 96

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Moscow, 10 Mar (Itar-Tass) — The management restructuring of the oil-extraction and oil-refining industry is by and large complete. Fifteen oil companies and two joint-stock companies for transportation of petroleum products have been created, Oleg Soskovets, first deputy chairman of the Russian Government, told ITAR-TASS today.

Reform of the industry made it possible to slow the rate of decline in oil recovery, he said. In particular, 72 percent more trunk oil pipelines and 20 percent more field pipelines have been put into operation.

The oil industry remains the country's top potential source of foreign currency, the deputy prime minister said. Oil exports have reached 95.6 million tonnes. The investment situation is returning to normal, which, he said, was helped by the implementation of government decisions to use foreign-exchange revenues to finance construction of important fuel and energy installations and also to retain an extra-budgetary fund for the electricity-generation sector.

The coal-mining industry is also being restructured to stabilize its economic performance, Soskovets said. Twenty loss-making pits have been closed, and the process is continuing.

Russia: Duma Speaker Seleznev Discusses Kiev Visit, Election

MM0803122196 Moscow PRAVDA in Russian 6 Mar 96 p 1

[Interview with State Duma Chairman Gennadiy Seleznev by Valentina Nikiforova; place and date not given: "Gennadiy Seleznev: 'Russia Is in an Impasse. But There Is a Way Out.' A State Duma Delegation Has Recently Visited Ukraine. Your PRAVDA Correspondent Spoke to State Duma Chairman G. Seleznev About the Results of the Trip and Burning Problems of Russian Life"]

[FBIS Translated Text] [Nikiforova] Gennadiy Nikolayevich, the previous Duma deputies had been planning to visit their colleagues, but evidently they did not manage it. Your delegation has filled this gap. What was your general impression of the trip?

[Seleznev] The previous Duma did not manage to go there because it was only allocated a term of two years in all. But when we were planning trips to what we now call the countries of the near abroad, or the CIS countries, we decided to go to Ukraine first and foremost. We feel that there is some kind of misunderstanding between us. That is why when Ukrainian Supreme Council Chairman Oleksandr Oleksandrovich Moroz confirmed his invitation and we accepted it and went there — not in vain.

[Nikiforova] Was this a parliamentary delegation?

[Seleznev] Yes, it was an official parliamentary delegation from the State Duma, which included representatives of all factions and deputies' groups — eight people in all. Admittedly, the press kept presenting things in such a way as to imply that only Gennadiy Zyuganov and Gennadiy Seleznev were there. Naturally, we assumed that the Ukraine People's Movement [Rukh] would not ignore our arrival. A group of five to seven people met us at Borispol airport, and then they were taken by bus along a route hung with anti-Russian and anticommunist banners.

The meetings with the Ukrainian Supreme Council deputies showed that we have something to talk about, we have something to discuss, and we have a reason to move closer. I like the stance occupied by Oleksandr Moroz, who believes, as we do, that Russia and Ukraine are each other's main strategic partners. We exchanged views about NATO's aspiration to expand eastward,

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and acknowledged that we have to think about a new collective security system in Europe. Aleksandr Moroz put forward a good initiative — to convene a conference in Kiev like the one that was held 20 years ago in Helsinki. Such a meeting would be very timely today. He is planning to spend about two years planning the conference and to conduct it at high level with the participation of all heads of state, in order to enter the 21st century with a new security concept. We supported this idea, and will prepare ourselves.

[Nikiforova] Were meetings held with deputies in factions and committees?

[Seleznev] We became acquainted with all the factions, and we spoke about the prospects for developing ties between the Russian and Ukrainian parliamentarians. A friendship group from the Ukrainian parliament will come and visit us at the end of March. We must also make haste in forming such groups: Both we and they are worried about the mutual disharmony of many laws and the shortage of information.

We have agreed that the CIS Interparliamentary Assembly could be a main source of assistance here. But Ukraine has not joined it yet. In the last ballot they were about 20 votes short. Moroz is convinced that Ukraine should become a full member of the Interparliamentary Assembly. Incidentally, the Ukrainian prime minister made a high assessment of the recommendatory legislative act on financial-industrial groups.

Urgent questions were also discussed, notably the conclusion of the major political agreement between Ukraine and Russia. The Russian president will go there at the beginning of April in order to sign this treaty and agreements on the Black Sea Fleet.

[Nikiforova] Will the fleet be divided up? So that in the end neither we nor they have naval protection?

[Seleznev] Everything that concerns the Black Sea Fleet and Sevastopol is the subject of the sharpest discussion. What is being discussed at the moment is not the division of the fleet but the allocation of some of the ships and infrastructure to the Ukrainian Navy.

[Nikiforova] So will the fleet remain whole?

[Seleznev] No, there will be two different fleets. But the question of the basing of the Russian Black Sea Fleet in Sevastopol is being resolved. Under this agreement, almost 82 percent of the ships will pass to Russia.

[Nikiforova] Will the base have to be paid for?

[Seleznev] The lease question has not come up for the moment. If we confirm in the agreement that Sevastopol is the main naval base of the Black Sea Fleet, we will have to invest money in it, develop the infrastructure, create jobs. If Russia gives financial assistance to the city, people's attitudes will change. Today they feel abandoned, although there is an agreement on cooperation.

It was proposed, for example, that Russia would provide the Russian schools with educational literature, and in exchange could send people to rest homes and sanatoriums: After all, these are standing empty! Unfortunately, this agreement is not working properly at the moment.

[Nikiforova] Maybe this is because Crimea's status has not been clearly determined. Kiev is not authorizing a single step to be taken independently.

[Seleznev] The Supreme Council chairman has reported that the Crimean Constitution will be adopted at the beginning of April, with broad autonomy. The OSCE [Organization for Security and Cooperation in Europe] commission working in Crimea is also insisting on this, incidentally.

[Nikiforova] Gennadiy Nikolayevich, is it true that the top leadership of Ukraine was, as it were, not very pleased to see the guests from Moscow? The press was triumphant: A Russian delegation was coming, but Kuchma had gone off on vacation; a report also came out that the premier had apparently fallen ill.

[Seleznev] The point was that Yevheniy Marchuk had some very serious talks to conduct in Donetsk, and a tangle of problems had developed: The miners, metal workers, and agrarians are all in a most serious position. He had a lot of meetings to attend. But he kept his word: As agreed, he flew in from Donetsk and immediately became involved in work with our delegation. Vice premiers and ministers — essentially all the key figures in the Ukrainian government — also took part in it.

[Nikiforova] Was it possible to speak to ordinary citizens?

[Seleznev] A little. Unfortunately, the program was very full, and such meetings were not envisaged. But even from the brief meetings and conversations it was clear that the people are in favor of rapprochement with Russia. A lot of people there do not understand why the rulers of the small western Ukraine area are dictating their will to the entire Ukraine and demanding that it turn away from Russia and look to the West rather than the East.

[Nikiforova] Did you perceive in this the influence of Rukh and of Chernovil, who at one time was called the ideologist of the local intelligentsia?

[Seleznev] The prestige of Rukh is generally not very high, but it does control many of the mass media. Judging by the articles and television and radio programs,

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you might think that the entire Ukraine had become pro-Western. But that is far from being the case.

The eastern oblasts and Kiev itself are disposed toward rapprochement with Russia and increasing integration with it.

[Nikiforova] The people are apparently seeing the light. But can they determine a realistic policy? In this connection, as far as the situation in our country is concerned, how do you see Russia in a year, and in five years' time?

[Seleznev] The electorate is currently being intimidated with the idea that if a left-wing candidate is elected, that is, Gennadiy Andreyevich Zyuganov, then civil war is inevitable. I am convinced that there will be no social upheavals just because left-wing forces win the presidential election.

[Nikiforova] So there will be no civil war?

[Seleznev] Obviously not. Unless it is artificially provoked. After all, as a result of the collapse of the economy Russia has already lost its food independence and now depends in many respects on the importation of the most basic products. In this situation it is easy to stop imports, at least for a while, and not bring in any food products or vital commodities. The scenario has evidently been worked out already, and that is why certain "prophets" are predicting famine if a left-wing president is elected. An explanation has even been prepared: The Western world is not supporting him, so the communists have once again brought famine to the country.

We understand perfectly well how the West has "helped" destroy Russian agriculture, how we have no state protectionism of the agrarian sector although Russia is an agrarian country.

[Nikiforova] But there has to be some method of controlling the situation.

[Seleznev] I know that Federation Council Chairman Yegor Semenovich Stroyev is instructing the government to examine its own program for developing the Russian Chernozem. The launch of this program will require capital expenditure, but in five years' time Russia will be able to feed itself and sell to West Europe.

[Nikiforova] Will money be found for this?

[Seleznev] The money is there. At the moment there is a great danger that huge capital, for example from commercial banks, will flow away abroad "until better times," or even forever.

[Nikiforova] Can the Duma not do anything about it?

[Seleznev] The Duma cannot set up any barriers, because customs control and control of the pumping out of capital are down to the structures of executive power, the government, and the Duma has no controlling functions. Will the government want to set up barriers? The FSB [Federal Security Service] organs could predict the situation through their channels and adopt measures of some sort. Most likely the government is also reasoning as follows: We will see who is elected president. If the old one stays, the capital can come back, but if the opposition's candidate is elected, then financial sabotage can be organized.

[Nikiforova] But is the "currency band" not a form of sabotage?

[Seleznev] Yes, it is having a very painful effect on the commodity producers geared to exporting output. At the latest government sitting even Eduard Rossel expressed opposition to the "currency band," on the grounds that it is directed against state enterprises: Mixed firms are finding a bunch of loop-holes in order to avoid paying taxes.

[Nikiforova] You were present at the government sitting, and it was also shown on television. Did it not boil down to some kind of banner-waving propagandist preelection session?

[Seleznev] No, it was not like that. A great deal of what was expressed at the sitting was said as though in Zyuganov's words, and this concerned an assessment of the state of the economy and ways of accomplishing tasks. Evidently the president and government are finally perceiving the opposition's logic.

[Nikiforova] In terms of Zyuganov himself being bad, but what he says is good? Particularly before the election?

[Seleznev] What was interesting was that the president thanked the government for its self-criticism. But today the executive is completely dependent on the president. And when certain cabinet ministers criticized their sectors, the president should have been asked: Where were you then? Did you not see the situation that has been forming in Russia? Why have you only started talking today about the fact that wages should be paid on time, and that budget money should not sit in commercial banks? After all, the left-wing press and the left-wing opposition have been shouting about this for three years! At that time they did not hear, they did not see the growth in unemployment and the decine in the people's living standards. And again there were no constructive proposals to stabilize the ruble and the financial system. Instead, the premier started his speech with an appeal to support the president in the election. So the premier blessed the idea of channeling all the might of the executive and all the structures into

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achieving success in the election. The president has organized a fight in order to rescue his own standing before the election.

[Nikiforova] And is it proper to publicly disgrace, say, the minister of finance?

[Seleznev] That was done to shield the entire executive power system. It is not Panskov who collects taxes, it is not Panskov who controls trade and gives out product export licenses. The Ministry of Finance is supposed to collect the money levied by other services and implement the expenditure part of the budget. What happened last year must be prevented from happening again: Nothing was obtained from privatization at the beginning of the year, and then, in order to prove how efficient the idea was, in November 6 trillion rubles [R] were suddenly paid into the budget. Did they really collect that amount in one day? Where was the money building up, who was hanging on to the money?

[Nikiforova] Clearly, Russia cannot survive without a firm ruble rate and without a wise financial policy; it will turn into a colonial republic.

[Seleznev] That danger is real, because you cannot talk seriously about any socioeconomic programs if you rely solely on IMF credits and if you wait for the International Bank for Reconstruction and Development to give you something. That road leads into an impasse. At the moment we are ostensibly receiving credits to pay off the USSR's debts. But how much specifically Russian debt has already built up! All of Russia's wealth could be written off in payment. That must be prevented.

[Nikiforova] Can the Duma do anything?

[Seleznev] I am convinced that a new Tax Code must be adopted — it is awaited by entrepreneurs, by everyone who pays taxes, by collectives of enterprises irrespective of what type they are. We need to adopt a new Tax Code. I would support the Ministry of Internal Affairs in saying that we must increase criminal accountability for attacks against individuals, extortion, and larceny. In our country you get two years for burglary, whereas in Central Asia it is six years. There are fewer cases of it there.

We must definitely adopt the Land Code. It would be desirable to adopt a law on the government before the election — swords will be crossed over this subject too.

I think that we need to make haste with the law on nationalization. Last year it was adopted as a point of departure, and further work is being done on it now. We are receiving reports to the effect that many enterprises which were among the first to be turned into joint-stock companies are prepared to come back under the state's wing. But we must make sure that the following scenario does not take place: that someone becomes an owner, sells and squanders everything, and today wants to give back the empty premises to the state so that it can fill these premises up again with equipment and new technologies.

A State Duma commission is working at the moment, summing up the results of the privatization a la Chubays. It would be a good thing to finish this work by May, without procrastination. It is worth noting the aim that was adduced for privatization, namely giving an additional incentive for the production of output. But what happened was that no incentive was given, many enterprises became the property of mixed companies, were ruined, and closed down. Someone must be held responsible for this.

It is very important to determine the principles of federalism and questions of local self-government in legislation. I fear that the strife will move down from federal level to the rayons and settlements, which are adopting their own charters.

[Nikiforova] Russia could fall to pieces that way.

[Seleznev] By its vertical power structure, the system of soviets kept the country together from top to bottom. But today federal authority ends at oblast level. After that the local self-government bodies step into action, and their status and powers are not regulated by law. A package of laws is required.

[Nikiforova] Discussions on draft laws often get into difficulty and become protracted. Yet some laws are urgent, after all.

[Seleznev] The Duma was recently accused of adopting a populist law — on indexing pensions and raising the minimum wage. But it was forced to do this because the government had not implemented it at the right time. The Committee for Labor and Social Support had to take the initiative. I believe that the Duma did the right thing, because the law is designed to protect the poorest strata of the population.

Furthermore, the president said that the Duma had not examined the Tax Code for six months. His words were misleading. The Tax Code was submitted to the Duma less than one month ago, but we had been waiting for it for two years. The government is to blame for the delay, and this should not be concealed. The draft is currently going through the natural procedure of discussion in committees.

[Nikiforova] Let us turn to the most burning issues, Gennadiy Nikolayevich. Will the Duma put an end to the "Chechnya conflict"?

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[Seleznev] A general commission made up of representatives of the president, the government structures, and the legislators was formed recently. We are finally beginning to work together, although deputies from the previous Duma did vote against the introduction of troops into Chechnya and adopt statements and decrees.

[Nikiforova] The commission is working, but the war goes on....

[Seleznev] Today we need strong political will to end the war. At the moment we cannot see such will; we only hear statements about various ways of solving the problem. In my opinion, Chechen-Chechen dialogue should be intensified.

[Nikiforova] You get the impression that the president and the government members are not aware how dangerous a cauldron it is.

[Seleznev] The danger posed by that cauldron to the region and all of Russia is obvious. And the indignation of President Aushev of Ingushetia is understandable: He was not even informed that federal troops were being introduced onto the republic's territory. This is first of all a violation of the law on defense. Second, the combat operations must not be allowed to spread to adjoining territories.

[Nikiforova] Another burning problem is the presidential election. Is there not a danger of the Duma's becoming a rostrum for that election, and are the candidates not already making use of it as much as they can?

[Seleznev] This is a cause for concern. Zhirinovskiy was the first to put forward his candidacy from the Duma rostrum. Yavlinskiy followed. But we cannot allow the Duma to turn into one big election headquarters. That is why we have reached agreement with all of the factions that deputies will prepare laws first and foremost, and no plenary sitting will be disrupted because deputies have gone off to election rallies. The Duma will work normally, according to the regulations.

[Nikiforova] To conclude, a personal question. How do you, a journalist, feel in a high state post?

[Seleznev] It is not an easy job! But I am growing into it and getting used to it, although I still feel more of a politician and a journalist. When I look closely at my colleagues, I see that there are about 20 people in the Duma who could be chairman.

[Nikiforova] Are you not worried that circumstances will force you to become an accomplice of Yeltsin? The precedent is there.

[Seleznev] Yes. Ivan Petrovich [Rybkin] had already become Boris Nikolayevich's accomplice. Not long ago he and Lakhova signed an address — they planned to convene a conference of cultural workers, and present a united front in support of Yeltsin. That is the value of the "center-left stance" and the opposition nature of Women of Russia!

Of course you have to cooperate, but I am not going to support the incumbent president. At our first meeting I said to Boris Nikolayevich: "No doubt you are interested in my view of the problems not only as Duma chairman, but also as a leader of the left wing in the State Duma."

The president agreed. A normal parliament should have representatives of the ruling elite and a strong opposition, and adjust policies taking criticism from a distance into account.

Unfortunately, at the government sitting every speaker without fail first of all expressed his respect for the president and only then tried to get down to business. If the president wants general approval and bowing and scraping to him, that will lead to totalitarianism. I am categorically opposed to it. When I was asked which side of the barricade I have stood on over the past few years, I answered that I had always been on the same side, in the left-wing section of the population, and there I will remain.

But I am observing what the present leaders are doing and how, so as not to repeat their mistakes. This will come in useful for all of us: If we come to power, we must not only change the course of socioeconomic reforms in favor of the individual but also put an end to all impulses toward strengthening personal power.

[Nikiforova] And last: What can you say to Russia's women on the eve of the wonderful 8 March holiday?

[Seleznev] Russia is increasingly becoming a woman's country, where the average age of men has fallen to 57. I would not like the whole burden of reviving the economy to fall to women, I would not like them to harness themselves to plows again and have to plow the fields. I would like women to be women, keepers of the hearth, and to have the same rights as men in the economy, in politics, and in culture. I wish you a happy holiday!

Russia: Finance Ministry Line on Banks Questioned

MM0803154096 Moscow IZVESTIYA in Russian 6 Mar 96 p 2

[Feature comprising abbreviated version of Russian Finance Ministry Press Service reply to 1 February IZVESTIYA article and editorial commentary: "Finance

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Ministry and IZVESTIYA Have Different Views of Certain Banks"]

[FBIS Translated Text] On 1 February IZVESTIYA (No. 20) published an article headlined "Bank Authorized To Hoard," which was about the special relations that have developed between the Finance Ministry and certain banks, in particular the Natsionalnyy Kredit bank.

In response a piece of paper with a number but no signature (the ministry chiefs probably decided not to sign the letter, just in case) arrived from the Finance Ministry, which we publish with some minor abbreviation.

The Finance Ministry

The Finance Ministry works with over 50 authorized banks, the list of which was determined by a government commission. No less than 50 trillion rubles [R] a year passes through them. Nevertheless the article's author draws the public's attention only to the Moscow Creditors Club, which consists of only five banks, even though it issues less money by an order of magnitude.

Specifically, the author is concerned with the legality of the Finance Ministry's acquisition of shares in the Natsionalnyy Kredit bank, allegedly paid for with money from taxpayers who, in the journalist's opinion, "have become a little poorer" as a result of this deal. In actual fact the shares were acquired on a legitimate basis in accordance with the Russian Federation Government directive of 31 December 1994 from nonbudget sources.

The Imperial, Stolichnyy Bank Sberezheniy, Menatep, Natsionalnyy Kredit, and Natsionalnyy Rezervnyy Bank commercial banks were appointed as authorized agents to deal with Russian Federation foreign assets and liabilities on account of their great experience in the sphere of international credit relations and because they met the criteria governing the selection of banks authorized to carry out transactions relating to the funding of the said state program, which was approved by a government commission. Incidentally, not only the commercial banks belonging to the Moscow Creditors Club but also other banks, for example Alfa-bank and the Enterprise Development Bank, participated in this work. However, in the Russian Federation Finance Ministry's opinion it is the banks in the Moscow Creditors Club that are working most effectively to regulate Russia's foreign debt, in particular by using reserve currencies to this end.

In fact there was no transfer by the Finance Ministry of $40 million each to the Natsionalnyy Kredit commercial bank and the Imperial commercial bank accompanied by an undertaking not to call in the money from these banks early without their written consent.

There is nothing illegal in transferring domestic foreign currency loan bonds to commercial banks' control. Commercial banks pay interest to the Russian federal state budget for the opportunity of controlling the abovementioned bonds. Thus, it is not a question of the Russian Federation Finance Ministry's "letting people mess about with budget millions," as indicated in the article, but of the lawful distribution of domestic foreign currency loan bonds to commercial banks, with the state receiving the appropriate revenue.

The Natsionalnyy Kredit commercial bank was given the right of principal control [doveritelnoye upravleniye] over the aforementioned securities nominally worth $125 million on the basis of a Russian Federation Government instruction of 14 January 1995. The said securities were used to secure the funding of the program to modernize existing industrial facilities and build new ones.

The claims by the article's author that "the Finance Ministry undertook to transfer various foreign currencies worth a total of $60 million to the Natsionalnyy Kreditcommercial bank" and that the Russian Federation Finance Ministry "is signing an agreement with the selfsame superauthorized bank on the transfer of $92 million to it for lending to foreign economic organizations" do not correspond to the facts. In fact the Russian Federation Finance Ministry granted the Natsionalnyy Kredit commercial bank a targeted credit of R9 billion to finance Russian producers making deliveries through the "Rosvooruzheniye" state company counting toward state credits granted by Russia to third countries.

The Russian first deputy finance minister signed the draft government directive declaring the Natsionalnyy Kredit bank a Russian Federation Government agent at a time when that bank was not experiencing financial difficulties. Despite the Natsionalnyy Kredit bank's temporary financial troubles at the moment, it continues to fulfill its budgetary obligations.

The article's author contradicts himself. On the one hand he claims that there are no criteria for appointing a bank an authorized government agent. On the other hand he writes that "the Finance Ministry press release recently sent out to newspapers, in which it reveals the criteria for selecting banks for the role of authorized agents, does not inspire confidence." In fact the criteria for selecting banks which are authorized to carry out transactions relating to the funding of state programs on a repayment basis were approved by a government commission, and it is these criteria which provide the answer to the question of why the Russian Federation

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Finance Ministry trusts some banks and not others to carry out its tasks.

The article's author is also concerned by the alleged lack of documentation from banks authorized to regulate Russia's foreign debt concerning their "activity in the field of carrying out the Finance Ministry's instructions." Such documentation does exist, and it is much fuller than that for other programs, since the problem of regulating the foreign debt is under the Russian Federation Finance Ministry's constant scrutiny.

In the light of the foregoing and on the basis of Articles 43 and 44 of the Russian Federation Law "On the Mass Media," we request that you publish this refutation in IZVESTIYA newspaper, since G. Pisotskiy's article misinforms the public and causes considerable harm to the state. [Finance Ministry Press Service statement ends]

From the Editorial Office

This "refutation" makes a strange impression. The published item's essence is that the Finance Ministry is selecting banks at its own discretion to work with budget money, and in reply it is said that the banks are selected to work with foreign assets "on account of their great experience." But the Natsionalnyy Rezervnyy Bank mentioned in the item, for example, was set up only in summer 1993 and could not have acquired the experience in a few months' work before A. Vavilov drafted it in to work with Russia's foreign debts.

The Finance Ministry probably has a great deal of spare money and no wage arrears problems if it can freely spend R40 billion on the acquisition of shares in the Natsionalnyy Kredit bank. And what are the "nonbudget sources" to which the Finance Ministry refers? Is it earning something on the side or secreting money outside the budget for its own needs? The purchase of shares in what is not the best of banks cannot be described as fulfilling state needs.

The claim that Vavilov signed the draft agreement with Natsionalnyy Kredit at a time when that bank was not experiencing financial difficulties is evidently aimed at people who cannot read. In July last year, when the first deputy minister signed the draft contract, there had already been a considerable number of press reports about the bank's difficulties. As for the claim that Natsionalnyy Kredit continues to fulfill its budgetary obligations despite its temporary difficulties, that is simply blatant disinformation. According to data from the Finance Ministry itself (the editorial office has the information), as of today there are a minimum of R23 billion in state funds lying around in that bank.

All documents on the transfer of funds to favored banks bear signatures (or rather Vavilov's signature). The fact that not all intentions were carried out does not change the crux of the matter. Had certain technical and other reasons not prevented it, hundreds of billions of rubles and tens of millions of dollars in state funds would have ended up in the accounts of Natsionalnyy Kredit and other chosen banks. Documents confirming the Finance Ministry's firm intentions to do this do exist and have not been invented by the journalist.

Russia: Yeltsin Signs Regulation on Parliament Representatives

LD1103092896 Moscow ITAR-TASS in English 0829 GMT 11 Mar 96

[FBIS Transcribed Text] MOSCOW, March 11 (Itar-Tass) — Russian President Boris Yeltsin has signed a regulation on plenipotentiary representatives of the President of the Russian Federation in the State Duma and the Federation Council of the Federal Assembly (parliament) of the Russian Federation.

Their main task is to represent and secure the interests of the head of state and facilitate the exercise of his constitutional powers in the houses of the Federal Assembly.

Each representative of the President will have a staff of ten people.

Russia: Yeltsin Approves Provisions on Main Directorates

LD0803140096 Moscow ITAR-TASS World Service in Russian 1004 GMT 8 Mar 96

[FBIS Translated Text] Moscow, 8 Mar (Itar-Tass) — On Thursday, Russian President Boris Yeltsin signed a number of edicts approving provisions on the following main directorates: the Russian president's Main Directorate on Issues of the State's Internal and Foreign Policies; the Russian president's Main State Legal Directorate; the Russian president's Main Directorate on Issues of Citizens' Constitutional Rights; the Russian president's Main Directorate on Issues of State Service and Cadres; and the Russian president's Main Directorate for Program Analysis.

Boris Yeltsin has issued an edict appointing Ruslan Orekhov, deputy head of the Russian president's administration, as head of the Russian president's Main State Legal Directorate.

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Russia: Yeltsin Approves Amendments to Law on Excise Tax

LD0903123096 Moscow ITAR-TASS in English 1144 GMT 9 Mar 96

[FBIS Transcribed Text] MOSCOW, March 9 (Itar-Tass) — President Boris Yeltsin signed a law on March 7 "On amendments to the law on excise tax" adopted by the State Duma on February 14 and approved by the Federation Council on February 22, 1996.

The amended law says that excise duties included in the cost of the product will be imposed on all kinds of ethyl spirit, wine spirit, vodka, cognac, champagne, natural wine, other alcoholic beverages, beer,tobacco, jewelry, gasoline, cars (except invalid cars) and some kinds of mineral raw materials included in a list endorsed by the Russian government.

When importing goods subject to an excise duty into the territory of the Russian Federation the order of imposing excise duties is established in compliance with this federal law and customs legislation of the Russian Federation.

The law comes into force from February 1, 1996 [date as received].

Russia: Premier Signs Decree on Strategic Enterprises

MM0703161896 Moscow ROSSIYSKAYA GAZETA in Russian 5 Mar 96 p 5

[Russian Federation Government decree No. 169 signed by Russian Federation Government Chairman V. Chernomyrdin in Moscow on 26 February 1996: "On Adding to the List of Joint-Stock Companies Created in the Process of Privatization Whose Output (Goods, Services) Is Strategically Important for Guaranteeing the Country's National Security and Whose Federally-Owned Shares Cannot Be Disposed Of Ahead of Schedule"]

[FBIS Translated Text] The Russian Federation Government decrees that:

1. The joint-stock companies listed in the appendix (published in ROSSIYSKAYA GAZETA's "Business in Russia" section) are to be added to the list of joint-stock companies created in the process of privatization whose output (goods, services) is strategically important for guaranteeing the country's national security and whose federally-owned shares cannot be disposed of ahead of schedule, which was confirmed by Russian Federation Government decree No. 949 of 18 September 1995 (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1995, No. 41, p 3899).

2. The Russian Federation State Committee for the Management of State Property, jointly with the Russian Federal Property Fund, should take measures to guarantee the sale of previously federally-owned shares of joint-stock companies which do not appear on the list of joint-stock companies created in the process of privatization whose output (goods, services) is strategically important for guaranteeing the country's national security and whose federally-owned shares cannot be disposed of ahead of schedule.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

[Dated] Moscow, 26 February 1996

Russia: Government Decree on New Seamen's Passport Amended

MM0803135896 Moscow ROSSIYSKAYA GAZETA in Russian 6 Mar 96 p 6

[Russian Federation Government Decree 1260 "On a Partial Amendment to Russian Federation Government Decree 146 of 24 February 1994" signed by Russian Federation Government Chairman V. Chernomyrdin in Moscow on 26 December 1995 — from the 'Documents' section]

[FBIS Translated Text] The Russian Federation Government decrees:

As a partial amendment to Point 4 of Russian Federation Government Decree 146 of 24 February 1994 "On Approving the Statute on the Seaman's Passport" (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 10, p 784) the Russian Federation Ministry of Transport and the Russian Federation Fishery Committee are to be allowed to exchange the old-style seaman's passports for the new seaman's passports before 1 September 1996.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] 26 December 1995, Moscow
No. 1260

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Media Issues

Russia: Moscow, Major Cities Not To Receive NTV Broadcasts

LD1003205196 Moscow NTV in Russian 1800 GMT 10 Mar 96

[From the "Itogi" program by announcer Yevgeniy Kiselev]

[FBIS Translated Text] Our program is coming to an end. When I say goodbye to you at the end of the program, I have gotten used to saying usually till we meet again next Sunday.

But I am glad to tell you that for the first time in the two and a half years of NTV's existence, I can say until tomorrow [11 March], because as of tomorrow our television company begins to broadcast in the morning and in the evening.

Those who were unable to watch the whole of this "Itogi" broadcast, or who would like to watch it again, will be able to do that at 0700 tomorrow morning.

From 0700 every morning and until 1400 every afternoon Moscow time, television viewers in Ulan-Ude [capital of Buryatia], Irkutsk, Krasnoyarsk, Novokuznetsk, Barnaul, Novosibirsk, Omsk, Nizhnevartovsk, Surgut, Vorkuta, Kamensk-Uralsk, Kyzyl, Perm, Chelyabinsk, Magnetogorsk, Izhevsk, Tolyatti, Yoshkar-Ola [capital of Mari El], Elista [capital of Kalmykia], Vladikavkaz [capital of North Ossetia], Makhachkala [capital of Dagestan], Kazan [capital of Tatarstan], Syktyvkar [capital of Komi], Ivanovo, Ryazan, Murmansk, Cherepovets, Kostroma, Rybinsk, Yaroslavl, Vladimir, Bryansk, and a further 100 towns and settlements in Russia will be able to receive NTV programs.

Unfortunately, inhabitants of Moscow, St. Petersburg, and a number of other major cities will still be deprived of the opportunity to watch NTV broadcasts in the morning. And nothing is likely to change until the question of the fourth channel is decided.

We have already appealed to the president and the government to allow us to broadcast fully on that channel.

We journalists and management of the NTV television company are still convinced that we have earned that right. We will be able to do that better than others, both in the interests of the state and in the interests of society, including in the interests of television viewers who need truly educational broadcasts.

But there is still no reply to our request. We are waiting.

That is all. Goodbye. All the best!

Russia: TV Figures Fear Onset of Censorship

LD0903212396 St. Petersburg Fifth Channel Television Network in Russian 1630 GMT 5 Mar 96

[From the "Inform-TV" program]

[FBIS Translated Text] Russian President Boris Yeltsin had a meeting with Deputy Prime Minister Vitaliy Ignatenko today, the presidential press service reports. Under discussion was the socio-political situation in the country and the way it is reflected in some of the central and regional mass media. Oleg Poptsov and Mikhail Poltoranin talked about more or less the same thing in St. Petersburg today. Their deliberations on the future of television were of particular interest:

[Begin Poltoranin recording, speaking at news conference] Prepare yourselves for a tough, forceful struggle between the authorities and the mass media — that you cannot avoid. [end recording]

[Correspondent, over video of conference] Mikhail Poltoranin and Oleg Poptsov held a news conference at the St. Petersburg All-Russian State Television and Radio Broadcasting Company directorate on the Karpovka embankment. The president of the "Moment of Truth" corporation, and Poptsov, until recently head of the second channel, spoke, of course, about the forthcoming elections and, of course, about the change of management at Russia Television, and also about the imminent increase in censorship.

[Begin Poltoranin recording] Censorship through personnel, censorship through finances, censorship through any other levers — it will become stronger and stronger. Censorship will be stepped up on the first channel. Censorship will be stepped up on the second channel. Censorship will be stepped up on NTV Television. If NTV starts getting frisky — and as you can see, NTV is gradually starting to tone things down a bit — then they'll just summon Gusinskiy [chairman of Most-Bank, NTV backer] to the Kremlin or somewhere and tell him: if your guys keep laying into Yeltsin and so on, then you, Gusinskiy, won't get this, that and the other. [end recording]

[Correspondent] The main reason for stepping up the censorship lies in the forthcoming elections. The two democrats, who have exerted an active influence over the mass media for the last decade were today pretty harsh in their criticism of the way the presidential candidates are acting.

[Begin recording] [Poltoranin] I always got on well with Mikhail Gorbachev, but today he has no chance of winning.

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[Poptsov] Yeltsin is a man of the crowd, all in all, that's absolutely clear. In the crowd he feels OK and feels he is capable of a great deal. [end recording]

[Correspondent] Poptsov said that the president of Logovaz, Boris Berezovskiy, was behind his, Poptsov's, dismissal from the management of the television channel. Oleg Maksimovich [Poptsov] once refused Berezovskiy's proposal to turn the Russia Television channel into a joint stock company.

Military & Nuclear Issues

Russia: Grachev Remarks on Restructuring Strategic Forces

LD0903150596 Moscow INTERFAX in English 1320 GMT 9 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 9 (Interfax) — With the breakup of the Soviet Union a number of second echelon army districts appeared to be bordering on foreign countries and faced the need for restructuring, Russian Defense Minister Pavel Grachev told Interfax.

Offering comment on his recent inspection tour of Russian army units, Grachev said the Moscow and North Caucasian districts had very quickly won the status of strategic, were Russia's strongest and showed the best fighting potential.

The national armed forces were on the whole controllable, showed a good fighting potential and kept posing as a guarantor for security and domestic stability, Grachev said.

All operational plans for the Russian armed forces and their arms, including the strategic missile force, have been reconsidered and the control and command systems of both strategic and tactical nuclear forces have been updated in the past few years.

A ten-year program for the unification of items of army equipment and hardware has won approval and, once met, will ease the problems of army logistics, Grachev said.

Russia: New Pacific Fleet Commander Interviewed

MM0803101696 Moscow KRASNAYA ZVEZDA in Russian 7 Mar 96 p 1

[Interview with Vice Admiral Vladimir Kuroyedov, commander of Russia's Pacific Fleet, by Captain First Rank Valeriy Gromak on 5 March; under the "First Interview in New Post" rubric; place not given: "Vice Admiral Vladimir Kuroyedov: I Shall Start My Work in the Pacific Fleet by Relying on Good Assistants"]

[FBIS Translated Text] As KRASNAYA ZVEZDA has already reported, Vice Admiral Vladimir Ivanovich Kuroyedov has been appointed commander of the Pacific Fleet by a Russian Federation presidential edict. The new commander was born in Maritime Kray's Khasanskiy Rayon 5 September 1944 and is Russian. After graduating from the S.O. Makarov Pacific Naval School, he began his service in 1967 as commander of the navigation command department of a patrol boat in the Pacific Fleet. He graduated from the Naval Academy and from the General Staff Academy with a gold medal. From 1993 through February 1996 he was deputy commander and chief of staff of the Baltic Fleet. Yesterday Admiral Feliks Gromov, commander in chief of the Navy, introduced Vice Adm. Vladimir Kuroyedov to the sailors of the Pacific Fleet, the day after our correspondent had met with him.

[Gromak] Vladimir Ivanovich, a few days ago, just on the eve of my departure, I talked with Vice Admiral Kravchenko, former first deputy commander of the Baltic Fleet and now commander of the Black Sea Fleet. Now you too are leaving that fleet. Is Russia's Baltic Fleet turning out to be the forge of commanders?

[Kuroyedov] The Baltic Fleet is Russia's oldest. It has always supplied cadres for the whole Navy. This tradition is being continued today.

[Gromak] With a break for studies, you have served for a sum total of 26 years in various posts in the Pacific Fleet. I will be interested to hear how you will start your work in your new post.

[Kuroyedov] In two and one-half years' service in the Baltic I witnessed and participated in the structural changes occurring in the course of the military reform. These changes undoubtedly occurred also in the Pacific Fleet. First of all, I must look at the present state of the fleet, assess it, and embark on the difficult work of maintaining its combat readiness at the proper level. I will evidently start my activity in the new post by relying on good assistants, and I know very many such people from my previous service in the Far East.

[Gromak] Vladimir Ivanovich, the fleet commander will have to resolve many questions concerning the life of the fleet in close cooperation with the leaders of local authorities and with various public structures and organizations. Do you have experience of such work?

[Kuroyedov] I believe that in the Baltic Fleet, in the course of pulling out the fleet's forces and removing our reserves from six states at once and settling sailors at their new stations, I gained good experience of cooperating with various structures. In the Far East I know many local administrators from Kamchatka to Vladivostok, and I have formed good working and

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friendly relations with them. I shall use in the Pacific Fleet the experience gained in the Baltic.

[Gromak] With what feeling are you opening the new page in your service biography?

[Kuroyedov] I have a feeling of great gratitude to the Baltic Fleet and to the commander personally, Admiral Vladimir Grigoryevich Yegorov, for everything that he taught me. And tremendous gratitude to all the fleet's personnel, who understood and supported my work. I will not deny that I feel a sense of joy at being appointed to such a high post.

[Gromak] But what about the difficulties? The Pacific Fleet today is not living through its best times....

[Kuroyedov] There are difficulties everywhere today. We should not complain about them. We military people have a task, and it must be fulfilled in the best possible way. The chief merit of any fleet is its people. Fine officers serve in the Pacific Fleet, and I hope for successful joint activity.

Russia: 'No Information' on Novaya Zemlya Test Allegations

LD1103101996 Moscow ITAR-TASS in English 1008 GMT 11 Mar 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, March 11 (Itar-Tass) — The Russian Ministry for Atomic Energy "has no information on alleged nuclear tests on Novaya Zemlya", Itar-Tass was told by a representative of the Ministry here today. "It is within the competence of the President of the Russian Federation to end the moratorium on nuclear tests, which Russia declared in 1992. There were no instructions to annul it," he added.

As earlier reported, claims that Russia had allegedly carried out a nuclear explosion appeared in the "Washington Times", which referred to information received from American intelligence satellites and seismic stations. This report was denied last Thursday by U.S. State Department Spokesman Nicholas Burns, who said that the United States believed that the moratorium on nuclear tests, which Russia declared in 1992, was being observed.

Regional Affairs

Russia: Kaliningrad Mayor Denies Talks on Transit Corridor

LD1003173696 Warsaw PAP in Polish 1445 GMT 10 Mar 96

[FBIS Translated Excerpt] Szczecin, 10 Mar — Vitaliy Shipov, mayor of Kaliningrad, who is currently visiting Szczecin, denied today that there have been any talks between the Kaliningrad authorities and the Suwalki provincial governor on a transit corridor running around the Lithuanian territory and linking Kaliningrad with Belarus.

Shipov stressed that the Kaliningrad authorities first learned about proposals for such a link only after the meeting of the presidents of Russia and Belarus, Boris Yeltsin and Alyaksandr Lukashenka. Nobody consulted us earlier in this matter. Both the Kaliningrad authorities and the residents are against the construction of such exterritorial links because it would mean the city would no longer enjoy the special status it has now.

Our talks with the Suwalki province authorities merely concerned the modernization of existing roads which would make economic contacts with this area and other provinces in Poland easier. Poland is the largest partner of the Kaliningrad oblast. Currently over 600 Polish companies are operating here. Their further development will, to a large degree, depend on the condition of the roads, Shipov stressed.

Shipov is in Szczecin in connection with the conference of European cities participating in the implementation of the RUSSTI project [as received], which opens on 11 March. Shipov met journalists on the eve of the conference.

Russia: Kaliningrad FSB Chief Views Situation, Tasks

WS1103075596 Kaliningrad KALININGRADSKAYA PRAVDA in Russian 27 Feb 96 p 8

[Interview with Vice Admiral Gennadiy Moshkov, chief of the Russian Federal Security Service Directorate for Kaliningrad Oblast, by Yu. Shebalkin; place and date not given: "Our Business Is To Ensure Russia's Security"]

[FBIS Translated Text] **Vice Admiral Gennadiy Yuryevich Moshkov, chief of the Federal Security Service [FSB] Directorate, is a very busy man. Nevertheless, he has found time to talk with a KALININGRADSKAYA PRAVDA correspondent. Because this was our second meeting after his appointment to the office of FSB directorate chief, it was interesting to learn how the first year of his work in the amber region had proceeded, what characteristic features could be singled out in the realm of events taking place in our country, and what the troubles of the FSB Directorate staff are.**

[Moshkov] The past year was difficult, though interesting. I became a genuine Kaliningrad resident, spiritually accepted this region, and became attached to it.

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As all Kaliningrad residents, I and the directorate employees are not indifferent to the political, economic, and social processes taking place in the region. Moreover, in many respects these processes determine the operational situation and tasks performed by our personnel. While organizing our work, we take into account processes in the neighboring countries, certain foreign intelligence services' interest with regard to our region, activities of extremist and nationalist organizations trying to lay territorial claims to our region, attempts to migrate via our oblast by citizens of "third countries," and criminal groups' intention to use the enclave to smuggle strategic raw materials. We are guided by the Law "On the Special Economic Zone in Kaliningrad Oblast" which determines the future socioeconomic situation in the region, the events in the Chechen Republic...

It is encouraging that our directorate has begun working in full swing and carrying out tasks entrusted to the FSB. The period of reorganizing and defining priorities is over. Many personnel issues have been resolved. The drain of specialists has been stopped. Just the opposite, it is currently possible to carefully select candidates for the service. It is significant that we have hired all qualified investigators. Our equipment has considerably improved.

All of this, as well as cooperation with other law enforcement agencies and mutual understanding with the Oblast Administration, enables us to work fruitfully and substantially contribute to the protection of state interests and security.

[Shebalkin] Gennadiy Yuryevich, what are the most immediate threats to security in our oblast? Are there any attempts to acquire state secrets?

[Moshkov] As for the protection of state secrets, in the oblast there are indeed military, political, economic, and social matters interesting for foreign states, the escape of which may cause a serious damage to both the oblast and Russian interests — which must be protected. We are actively working in this direction. We have concrete results.

It must be noted that the state attaches great importance to the protection of its secrets. By virtue of the Russian Federation Resolution No. 333 "On Licensing Operations of Enterprises, Institutions, and Organizations Aimed at Conducting Work Connected With the Use of Information Representing State Secrets, Creating Means To Protect Information, and (or) Providing Services in the Protection of State Secrets" dated 15 April 1994, FSB agencies are charged with the task of licensing operations of legal persons conducting work and services connected with state secrets, regardless of their form of ownership. This task is currently being carried out.

A great deal of our work is connected with detecting and liquidating channels of smuggling, which is not surprising given the enclave-like location of Kaliningrad Oblast and its expanding cooperation with Western and Baltic countries. According to our data, 13 criminal cases concerning smuggling and violations of customs legislations have been opened. We have handed over materials concerning 27 people to other law enforcement agencies. During operations and investigations conducted by the directorate's subunits in 1995, illegal exports of metals, oil products, liquor, and other goods worth approximately 5 billion rubles [R] from the Russian Federation were thwarted. In the city of Kaliningrad, two smugglers who had been searched by international agencies were detained. We concluded investigations and handed over to courts a number of criminal cases concerning violations of the state border. We are alarmed by increasing attempts to migrate to West European countries via our oblast by citizens of "third" countries such as, in particular, Afghanistan, Lebanon, and Iran. Unfortunately, over the past few years the number of corruption cases in state authorities and administration have grown, including cases of accepting bribes and using state means for private purposes. We also have materials about illegal deals with hard currency and activities of criminal groups.

[Shebalkin] Are there any secret channels or bridges to ship the "stuff" abroad? Who uses them?

[Moshkov] Criminal groups and individuals constantly use Kaliningrad Oblast to illegally transport various goods and money abroad. The interest of the aforementioned category of people in Kaliningrad Oblast is caused by its special location and the presence of customs and other economic exemptions, the illegal use of which brings in solid profits for certain organizations. For example, there was a case of shipping scrap metal worth over R1 billion abroad without paying customs duties. A little later, there was another attempt to carry out a similar operation, but it was intercepted, and criminal charges were brought against its organizers.

We also thwarted attempts to import environmentally hazardous substances hidden in slag or mineral fertilizers to the oblast.... The lack of competence or desire to reap large profits could have caused considerable damage to the oblast's economy. It is no secret that these channels operate "thanks" to corruption among individual officials who assist the aforementioned organizations in their illegal operations in exchange for money, and sometimes even because of insufficient assessment of the damage.

[Shebalkin] How are the antiterrorist activities of FSB special subunits organized, if it is no secret?

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[Moshkov] Permanent antiterrorist subunits have been established within the FSB, and they conduct their operations according to the regional principle — in Moscow, St. Petersburg, Rostov, and some other cities. In the Kaliningrad Directorate, these functions are performed by an antiterrorist group comprised of operational employees from all subunits; the group is not on the permanent staff. According to a special plan, partially during their work hours and partially during their free time, they undergo special training. Polish techniques of hand-to-hand combat, practice dexterity and endurance, and learn and master special skills to render criminals harmless in rooms, vehicles, and planes. These skills are used while detaining criminals in accordance with our operational and investigative materials. It should be noted that we actively cooperate with a special subunit from the Internal Affairs Directorate Department for Combating Organized Crime, both at the stage of preparations and in practical work.

However, taking into account the enclave-like location of Kaliningrad Oblast and its remoteness from the deployment sites of the FSB's permanent antiterrorist groups, we think that it is advisable to set up an analogous permanent subunit within our directorate as well, all the more so since cases of stealing and smuggling weapons and ammunition during the reorganization of the Army and Navy structures have increased. For example, an entire ordnance depot has been discovered and impounded in a garage in the city of Chernyakhovsk alone — 44 RPG-18 grenade launchers, 37 PG-42 grenades, 6,577 5.45- and 9-millimeter cartridges, 21 TNT charges, fuses, detonators, and explosive devices, which were stolen in the process of disbanding a military unit. Moreover, it has been established that the suspect has committed a number of homicides. Foreign sailors, too, are "keen" on importing firearms for personal use or sale, so to speak.

Additionally, FSB agencies are also charged with implementing the Russian Federation Presidential Edicts No. 1,016, dated 24 May 1994, and No. 1,226, dated 14 June 1994, on combating organized crime. I can describe two episodes from our work. Along with the Interior Affairs Directorate Department for Combating Organized Crime, in the city of Penze we have carried out an operation aimed at locating and detaining Travkin, a leader of a criminal group, who was accused of organizing a number of contract killings. Criminal charges have been pressed against him. A group of people counterfeiting 50,000- ruble bills totalling several hundreds of millions of rubles have been sentenced for various prison sentences.

[Shebalkin] I will not make a mistake if I say that anonymous letters containing threats of physical abuse addressed to businessmen, merchants, and public activists are currently quite frequent. Does it happen that "well-wishers" inform you about bombs planted at municipal facilities?

[Moshkov] Anonymous calls containing threats of bombing various facilities such as banks, schools, preschools, shops, etc. remained one of the active forms of terrorism in Kaliningrad Oblast in 1995. We registered 26 such calls (in 1994 there were 77 of them). Some of them involved blackmail. Over 10 calls about possible explosions in 11 schools were registered in March.

All the calls proved to be deliberately false. Five anonymous callers were uncovered. The reasons and motives which urged them to commit anonymous calls were as follows: Among students this was simply hooliganism (a wish to disrupt classes and avoid them or unwillingness to study); in other cases, mental diseases and poor living conditions connected with social tension were involved.

In October, we uncovered an anonymous caller who, according to him, was going to carry out terrorist actions following the example of Shamil Basayev. He proved to be a Kaliningrad resident born in 1948. He has been afflicted with schizophrenia since 1966; he is a second-group invalid. Here is another example: An anonymous caller who telephoned to the mayoralty informed that an explosive device had been planted in the building. He was also uncovered — he is a sailor from the Tralflot joint stock company who, in this way, tried to receive money from the Tralflot quicker due to his difficult living conditions. (The man had not been paid for a whole year, and has a handicapped wife and adolescent children). Preventive measures have been applied with regard to him. No criminal charges have been brought against him.

The decline in the number of anonymous calls confirms that the preventive measures taken by the FSB Directorate, along with the Internal Affairs Directorate and the mayoralty, as well as publications in the local press and televised reports about the results of searches for anonymous callers have had a positive effect.

In 1995, eight anonymous letters containing threats of physical abuse against specific individuals, demands for ransom, absurd ideas, etc. were registered in Kaliningrad Oblast and investigated by both federal security agencies and other law enforcement bodies. In all cases, we found the authors and treated them according to the law.

[Shebalkin] The "hot spots" in Russia have not yet been liquidated. Are your employees participating in this process?

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[Moshkov] For a long time, Chechnya has been the "hottest spot" in Russia. It affects the life of virtually all regions of our country. So, six servicemen from our directorate were sent there in 1995. Currently, there are also six of our people in Chechnya. If combat actions do not end there and the federal troops are not withdrawn, we do not rule out the possibility of sending another 10 employees from our directorate to Chechnya. They perform their tasks according to their responsibilities, duty, and oath. Some of them have been nominated for government awards. This speaks volumes about their performance.

[Shebalkin] There are rumors that mercenaries from Kaliningrad Oblast are fighting on Dudayev's side in Chechnya. Have former servicemen from special army and navy units, or simply "tough" boys, been recruited in our region?

[Moshkov] We have no information about purposeful recruitment by Dudayev's agents. I will not speculate on this. If this occurs, however, we will not stand aloof.

[Shebalkin] Thank you for the conversation.

Russia: Komi Republic Concerned Over Yamal-West Europe Gas Pipeline

LD1003132396 Moscow Russian Television Network in Russian 1100 GMT 10 Mar 96

[From the "Vesti" newscast]

[FBIS Translated Text] The sanitary-epidemiological control service of the Republic of Komi has refused to grant a go-ahead to a feasibility study done on a giant pipeline between the Yamal Peninsula and Western Europe. In particular, the refusal was based on ecological concerns over a warehouse which is to distribute fuel and lubricants without toxic substances in Vorkuta; a compressor station in Sosnogorsk; 10 projected polyethylene plants; and a local hydro-electric power station to be built in Inta.

Komi would have 1,074 km of the pipeline, which would extend for over 4,000 km from the Arctic part of Yamal to Europe. Two thirds of the Komi stretch will be built in a new corridor across swamps and permafrost. The project envisages that the Severgasprom located in Ukhta will service the new pipeline up to the borders with Torzhok. The construction of the pipeline is expected to be completed within seven years. It is currently in its initial stage.

In this context, and considering the epidemiological control service's decision, local experts describe as brave a statement by (EuroPolgas) that gas from Yamal will be supplied in transit via Poland to Germany using Gasprom's pipelines in Ukraine, the Czech Republic, and Slovakia.

Russia: Power Cutoffs Cause Public Unrest in Maritime Kray

MK1103081596 Moscow SEGODNYA in Russian 7 Mar 96 p 2

[Report by Oleg Kryuchek from Khabarovsk: "Spontaneous Rallies Are Being Held in Vladivostok. The 'Dalenergo' Joint-Stock Company Does Not Intend To Give Up Sector-by-Sector Power Cutoffs"]

[FBIS Translated Text] For several days, rallies have been held continuously in Vladivostok near the [Maritime] kray administration building. City residents — workers of budget-funded enterprises — are demanding that Maritime authorities stop sector-by-sector [veyernoye] power cutoffs in apartment houses and industrial facilities. Today, the "Dalenergo" [Far East Energy] Joint-Stock Company, to which consumers owe astronomic amounts of money, are cutting off power supplied to entire districts of Vladivostok for eight to 10 hours daily. Local authorities and heads of "Dalenergo" are holding intensive consultations in order to alter the current practices of cutting off electric power supplied to industrial facilities and utilities in the kray and to prevent a possible social explosion.

According to preliminary information, "Dalenergo" is continuing to defend its right to use harsh measures against defaulters and keeps insisting that most of them are able to pay their debts to the power company. The Pacific Fleet, a major defaulter, is being given as an example. The fleet has not been able to settle its debt to "Dalenergo" for several months now due to its insufficient and unsteady funding by the Defense Ministry. At present, the military has deployed armed posts at substations supplying power to strategic airfields and nuclear submarine bases and are not letting any civilian power workers in. Meanwhile, the leaders of "Dalenergo" believe that the fleet is quite capable of settling the problem of underfunding and suggest that admirals take advantage of the fact that Feliks Gromov, Russian Navy commander in chief, is in Vladivostok now.

Your SEGODNYA correspondent has been told at the "Dalenergo" Joint-Stock Company that, if the kray administration manages to make the power company give up the practice of sector-by-sector power cutoffs to consumers, it is the power company workers who will be holding meetings at the kray administration building in a week from then. It is also noteworthy that in Maritime Kray active protest actions are being prepared also by military-industrial complex and coal industry workers. Despite Boris Yeltsin's promises to fully settle the debts

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to budget-funded enterprises in the near future, workers in these sectors still have not been paid their wages for the past several months.

Russia: Over 100,000 Refugees Registered in Ingushetia

LD1003190896 Moscow ITAR-TASS World Service in Russian 1237 GMT 10 Mar 96

[By ITAR-TASS correspondent Ruslan Maysigov]

[FBIS Translated Text] Near the village of Ordzhonikidzevskaya (Republic of Ingushetia), 10 Mar — No corridor has been opened today to allow the inhabitants of the Chechen village of Sernovodsk to leave the place. The village has been sealed off by the federal forces for the fourth day. However, there are no large-scale military operations there. An ITAR-TASS correspondent witnesses that single shots only could be heard today.

Representatives of international humanitarian organizations, which arrived in the area near the village by buses to take out those who are still in Sernovodsk, are not allowed into the village. The relatives of the people trapped in the village are also there. According to the international organization for migration and the villagers, there are still about 7,000 people in the village. The migration service of the Republic of Ingushetia has registered 13,000 refugees from Sernovodsk.

Over 100,000 Chechen refugees and Ingushis deported from North Ossetia had already been registered in Ingushetia even before the exodus from Sernovodsk.

The republic's migration service, supported by the federal budget, is experiencing serious financial problems. Idris Toriyev, head of the Ingush migration service, told ITAR-TASS that the federal budget had allocated as little as 50 percent of the necessary sum in the forth quarter of 1995 and nothing since the beginning of this year. He said that only the charities — International Islamic Relief Organization, International Organization for Migration, International Committee of Red Cross and the Medecins Sans Frontieres — had made it possible to give first aide to the refugees from Sernovodsk, evacuate them from the combat zone, and provide them with accommodation and food.

Economic Issues

Russia: Ministry Report Contradicts Yeltsin Message

MM0703141296 Moscow PRAVDA ROSSII in Russian 7 Mar 96 p 2

[Article by Viktor Trushkov: "Blackballed by His Own Man. Ministry of Economy Unintentionally Contradicts President"]

[FBIS Translated Text] At the end of February, when the last remiss students resit their winter semester examinations for the third or fourth time, the president published his annual message to the Russian Federation Federal Assembly. There were, of course, no supplementary or amplification questions. The main assessor of the public work — Professor A. Livshits, whose lectures were used to prepare the dissertation — was very pleased, and his entire demeanor indicated that the candidate should be awarded a second title as president without going into the secret ballot procedure. "Independent" reviewer Doctor Ye. Gaydar accepted all assumptions of the submitted message as absolutely correct and its conclusions as impeccably accurate. Devil's advocate Dotsent A. Chubays was delighted with the dissertation, but his delight was inversely proportional to his scientific qualifications. Everything went splendidly. Press reports about the catastrophic results of the national economy's performance in 1995 compared with 1990 (such a comparison was published specifically by PRAVDA ROSSII 8 February) were proclaimed to be intrigues by "ill-wishers." But....

There was unexpected confusion. Hardly a week had passed since the publication of the president's message, when he — the suddenly energetic candidate for a second presidential term — scheduled an enlarged session of the Russian Federation Government. Specialists from the Ministry of the Economy — even though it is headed by "his man" Marketeer-Professor Ye. Yasin — prepared for the session a voluminous report "On the Results of the Russian Federation's Socioeconomic Development in 1995 and the Tasks for 1996." This 133-page "reference work" proved to be a merciless contradiction of the president's message to parliamentarians. Let us compare the theses of the presidential candidate and the Ministry of the Economy.

B. YELTSIN, Russian Federation President's Message to the Federal Assembly: "What did 1995 bring us? How were the tasks set in the president's Message fulfilled?... It is important that producer prices are no longer outstripping consumer prices. This means that there will be a more stable basis for price stabilization in the future too."

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MINISTRY OF THE ECONOMY, On the Results of the Russian Federation's Socioeconomic Development in 1995....: "Despite the adequately tough macroeconomic policy in 1995, the rate of inflation proved higher than expected....

"A series of decisions were adopted in early 1995, aimed at deepening economic reforms in terms of further liberalization of foreign economic activity. Initially, however, their effect prompted faster price rises for a series of output categories, primarily in the raw materials and base sectors. The abolition of quotas and licenses for oil exports led to an explosion of oil prices: During the next six months producer prices increased by a factor of 2.2, while the consumer price for one tonne of oil increased by a factor of 2.5."

The Ministry of the Economy report offers a comparison of domestic and world prices for a series of commodities at the end of 1995. Automobile gasoline in our country was sold at prices which were 1.92 times higher than the world market price (let me note that gasoline prices in Moscow have leapt up by a further 15 percent in the last few days), diesel fuel prices were 1.77 times higher, ferrous metal prices were 1.49-1.87 times higher, propylene prices were 1.67 times higher, nickel prices were 1.21 times higher, aluminum prices were 1.1 times higher.... In other words, our domestic market prices have far outstripped the average world prices.

There are two more figures which the president failed to notice. The State Committee for Statistics reported — before the message to the Federal Assembly had been published — that retail prices had increased by a factor of 2.31 over the previous year. The document signed by Ye. Yasin confirms this. And it completes the picture by citing yet another figure: "Producers' wholesale prices in industry increased by a factor of 2.75 over the year." Come now, professor, this is a fail mark for the candidate!

B. YELTSIN: "The measures taken recently to regulate the prices and service charges of the natural monopolies — the power industry, the gas industry, railroad transport — are yielding results."

MINISTRY OF THE ECONOMY: "The prices for output of the fuel and energy sectors increased by a factor of 2.9 in 1995 and exceeded the growth of prices in industry as a whole (by a factor of 2.75)."

"Power industry.... The sector's economic situation remained grave through last year."

"The volume of freight carried by the transport industry in 1995 (excluding pipeline transport) constituted 88 percent of the 1994 level.... The quality of passenger and freight transportation remained unsatisfactory.... Freight tariffs increased by a factor of 2.5 in 1995 (by a factor of 3.5 in 1994)...tariffs for all categories of passenger transport tripled.... The financial situation of transport enterprises remained grave. The proportion of lossmaking enterprises in 1995 increased by 7 percent against the 1994 level. The transport industry's financial resources make it impossible to ensure the necessary reproduction of fixed capital."

B. YELTSIN: "Fundamental importance attaches to the fact that the decline in inflation is taking place against the backdrop of a considerable reduction in the decline in production.... If a decline in inflation is not accompanied by an intensification of the production slump this can mean only one thing — the economic crisis is coming to an end."

MINISTRY OF THE ECONOMY: "The decline remains profound in sectors which are mainly geared to the domestic market: 9 percent in the food industry, 10 percent in machine building, and especially profound — 31 percent — in the light industry (against an initial estimate of 15-20 percent).... The 1995 grain harvest was the lowest in the last 30 years.... The situation in stockbreeding is not improving, either. The sale of livestock and poultry for slaughter in live weight fell by 13 percent against 1994...mainly due to reduced deliveries from agricultural enterprises. A decline of stockbreeding produce was also noticed on the population's farms."

B. YELTSIN: "In a number of sectors an appreciable increase in output was observed for the first time since 1990."

MINISTRY OF THE ECONOMY: As if to confirm the president's claims, the Ministry of the Economy report notes that "production in export-oriented sectors showed considerably better dynamics." But then we go on to read: "The trend changed in the last few months. The volume of industrial output production, compared with the corresponding period in 1994, dropped by 2 percent in October, 5 percent in November, and 8 percent in December. There emerged a trend toward exhausting the favorable potential foreign economic conditions for industrial production while retaining demand restrictions on the domestic market and an acute shortage of money at enterprises.... Only the export of natural gas, oil, commercial lumber, and timber remains effective at present. The export of oil products, metallurgy products, and chemical industry products is becoming lossmaking."

B. YELTSIN: "The stability and predictability of economic development has increased. The 'currency band' has played a big role here.... The currency market became an integral stabilizer of the economy."

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MINISTRY OF THE ECONOMY: "From July onwards, following the introduction of the 'currency band,' the proportion of expenditure on foreign currency purchases in the structure of the utilization of the population's money incomes was restored to its early 1995 levels (about 15 percent) against the 10-percent level in May-June. At the same time, there was a reduction of the proportion represented by savings accumulation in ruble savings accounts and securities (from 7 percent in May-June to 3-4 percent in September-November)."

It appears that the "currency band" sharply curtailed the ruble's economic role and led not to its stabilization but to its latest de facto collapse. In all likelihood, this is the only predictability in economic development under B. Yeltsin's leadership. The prediction of deepening crisis is also based on another idea contained in the Ministry of the Economy report: "Since 1993 the increase of confirmed reserves of virtually all categories of mineral raw materials, excluding coal and iron ores, remains below the level of their annual extraction. Thus, newly confirmed oil reserves in 1995 stood at 191 million tonnes against an extraction of 307 million tonnes."

B. YELTSIN: "In 1995 there was also progress in other areas — in forming financial-industrial groups, enlisting nonstate resources in investment projects."

MINISTRY OF THE ECONOMY: "The banks' relations with the other members of financial-industrial groups are, as a rule, limited to routine banking transactions. The banks are unwilling to bear responsibility for running the risk of investing money in new production development projects. Their interest lies in earning maximum profits in a very short time. Experience of work with the banks has shown that an association of industrial enterprises and financial structures does not mean that the latter will be involved in production. The banks find more advantageous investments for their capital than investing it in financial-industrial group projects."

And it goes on. "In 1995 enterprises and organizations in all forms of ownership assimilated capital investments of 250 trillion rubles from all sources of finance, which is 13 percent less than in 1994."

The overall outcome is that the Ministry of Economy specialists, led by the professor appointed to confirm the great ideas of the message's author, have unintentionally refuted all the economic conclusions by the candidate aspiring to the supreme office of state. Despite this, however, the president, his entourage, and the ideological retinue which indefatigably lauds his regime pretend that the Ministry of the Economy reference report has not created any awkwardness. But a secret ballot does lie ahead. Academics are well familiar with instances when, in the wake of eulogies for a famous candidate, the ballot box has surprisingly been found to contain "black balls."

Russia: Kazakov Cited on New Approach to Privatization

MM1103122196 Moscow FINANSOVYYE IZVESTIYA in Russian 7 Mar 96 p i

[Article by Yelena Krivyakina: "Pace of Privatization Will Be Slowed Down and Technology Reviewed"]

[FBIS Translated Text] Privatization in 1996 will remain one of the main avenues of the Russian reforms and no one intends to abandon it. This was stated by Aleksandr Kazakov, vice premier of the Russian Government and chairman of the Goskomimushchestvo [State Committee for the Administration of State property].

In the vice premier's opinion it is extremely unfair to ascribe all the negative processes in the Russian economy to the influence of privatization alone. In actual fact it accounts for no more than 3-5 percent of negative processes. At the same time the positive results are obvious. Above all there is the development of the stock market.

Nonetheless, according to A. Kazakov, the pace of privatization in 1996 will decline substantially. Privatization must proceed along the correct path of development — as enterprises want it and are able to implement it. In turn the Goskomimushchestvo leadership should compile a list of enterprises which are known to run at a loss and whose privatization is impermissible. These are primarily establishments in the social sphere.

In 1996 the federal budget counts on obtaining something like 12-13 trillion rubles from privatization. But, A. Kazakov believes, privatization cannot be viewed as a source for swelling the budget. The funds obtained should be channeled exclusively into investment. To fill the breach in the budget it is essential to seek new, nontraditional sources of money.

For a long time the transfer of federally owned establishments into the hands of the federation components was free. The Goskomimushchestvo head suggested that the renunciation of such "charity" could reduce the federal budget's requirements by almost one fourth.

The same applies to benefits for labor collectives. Kazakov noted that it is these benefits which have given rise to the negative consequences of privatization. We cannot privatize an enterprise while deliberately giving half of it away free. In reviewing the technology of privatization under the new conditions of economic management the repeal of benefits could also be a source for swelling the budget.

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In Kazakov's opinion we cannot accuse the Goskomimushchestvo alone of bad management of state-owned establishments. Some 80 percent of state blocks of shares belong to sectorial ministries and departments and 10 percent to workers in the regional administrations. And only 10 percent belong to the Goskomimushchestvo and sectorial committees. And nonetheless the problem must be resolved somehow. The vice premier sees a way out once again in turning to nontraditional methods of managing state property.

In this case it is a question of management on a trust basis [doveritelnoye upravleniye]. It is true that its mechanism has not yet been developed and so it is hard to say when it will be able to function normally. But since the management of state blocks of shares and, moreover, on a competitive basis, implies the involvement not only of sectorial officials but also of commercial structures and even private individuals, one can imagine in advance the strength of future passions.

Russia: 'Chronic' Trade Surplus Causes Currency Problems

MM0803142196 Moscow FINANSOVYYE IZVESTIYA in Russian 7 Mar 96 p ii

[Article by Yevgeniy Vasilchuk: "Currency Reserves Are a Burden on the Economy"]

[FBIS Translated Excerpt] According to estimates, Russia's currency reserves reached $16-17 billion in February 1996. This, in principle, is how it should be, since the balance of payments relating to current operations (which mainly determines the dynamics of the currency supply on the domestic market) is distinguished by a chronically large surplus balance — for example, $10 billion for the period January through September 1995. Therefore the Bank of Russia is obliged from time to time to "pump out" the surplus currency supply for the purpose of smoothly lowering the ruble exchange rate. [passage omitted]

By stretching a point somewhat, it is possible to accept the Bank of Russia's claim that the availability of currency reserves characterizes the quality of the money base. But it is, rather, the other way around. The mechanism of rate formation, which has been deliberately deformed by the Central Bank, leads to the result that the normal market mechanisms in the foreign economic sphere for balancing imports and exports of goods, services, and capital end up disengaged.

As a consequence, the net outflow of material resources is also accompanied by exports of capital, including state capital, in the form of official currency reserves. But on the domestic market the smaller mass of goods is countered by an ever greater number of rubles. The inflationary consequences of the surplus money supply formed as a result of the chronic excess of exports over imports are obvious and have been proved by world economic theory and practice.

The policy of increasing currency reserves above some optimum level (for Russia this is now approximately $10-12 billion) seems erroneous. The formation of superfluous reserves is no less inauspicious for the economy than a shortage of reserves.

Finally, the procedure by which the Bank of Russia places national currency reserves abroad remains unclear. If the so-called Soviet foreign banks [sovzagranbanki] are directly involved in this mechanism, it seems difficult to give a guarantee that part of the currency reserves might not be used to fund the Russian budget deficit.

In turn, if this happens or is already happening, then the consequences of such a policy could prove very unpredictable.

Russia: Oil Exporters Propose To Build Branch Line to Adriatic

MK1103081496 Moscow KOMMERSANT-DAILY in Russian 7 Mar 96 p 3

[Agency of Oil Information report: "'Druzhba' Oil Pipeline May Grow Branch Lines"]

[FBIS Translated Text] A number of major Russian oil exporters have come forward with an initiative on the construction of a branch line from the "Druzhba" oil pipeline across the territory of Serbia and Montenegro to the port of Bar on the Adriatic Sea. As has become known from a source close to the government of Russia, the construction of such a branch line is necessary given current difficulties in oil trade in this region caused by Turkey's restrictions on tanker traffic in the straits of Bosporus and Dardanelles and the absence of a direct pipeline from Russia to the region. The laying of a pipeline across Serbia and Montenegro will boost oil sales to Bulgaria and Greece. Increasing oil refining in Yugoslavia to three million tonnes a year will enable Moscow to sell more petroleum products on the European market. At the same time, the Mediterranean oil pipeline will finally settle the argument about oil transportation routes from Kazakhstan under the CTC [Caspian Transnational Consortium] plan in favor of the Russian route, rather than across Turkey. A number of major Russian commercial banks have already expressed readiness to fund the oil pipeline project, which may cost $1 billion.

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International Affairs

Ukraine: Foreign Minister on 'Being Caught' Between NATO, Russia

WS1103102396 Kiev INTELNEWS in English 0349 GMT 10 Mar 96

[FBIS Transcribed Text] Kiev, March 9 — Maintaining Ukraine's nonaligned status is a priority by avoiding being caught between NATO and Russia, according to Foreign Minister Hennadiy Udovenko.

Udovenko made the remarks while in Norway meeting with that country's defense minister. Discussions included NATO's east European expansion and Russia's vociferous objections to it.

"We are worried about the prospects of NATO expansion," Udovenko said, adding "Ukrainian and Russian positions are the same, but Ukraine is anxious about possible locality between the two blocs: NATO from the one side and the countries of Tashkent Agreement for collective security from the another side."

Tashkent Security Agreement was created in 1991 at the behest of Russia. Former Soviet countries such as Belarus and Kazakhstan have signed among others, while Ukraine has not.

Back in Ukraine when Foreign Affairs Ministry spokesman Yuriy Serheyev was asked whether officials were reconsidering Ukraine's nonaligned status, he replied: "Every status is the evolutionary figure." [as received]

Ukraine: Farmers Blame U.S. Chicken Fodder for Low Quality

LD0803183896 Moscow INTERFAX in English 1704 GMT 8 Mar 96

[FBIS Transcribed Text] KHARKOV, March 8 (Interfax - Ukraine) — The U.S. chicken fodder supplied to Ukraine contains toxic agents, a deputy director of the city poultry farm, Oleksandr Tertyshnik, told Interfax - Ukraine.

Expertise revealed patulin in the U.S. soya oil cake, Tertyshnik said.

The chickens started to produce 20 percent to 30 percent fewer eggs after they were given the U.S. fodder for the first time, Tertyshnik said. "As a result, the farm's daily losses amount to more than 300 million karbovantsy," he said.

Ukraine: Radio Gives Details of Military Cooperation Accord

LD0803141896 Kiev Radio Ukraine World Service in Ukrainian 1100 GMT 8 Mar 96

[FBIS Translated Text] Ukraine is to modernize Bulgarian antiaircraft missile sites, a radar station, armored vehicles, warships, and aircraft engines, and the two countries will coordinate their efforts in modernizing arms, Ukrainian Defense Minister Valeriy Shmarov reported during an official visit to Bulgaria on 6-7 March. The visit took place at the invitation of Bulgarian Defense Minister Dimitur Pavlov. As a result of the talks a protocol on expanding cooperation between the two states' defense ministries was signed.

Lieutenant General Lev Hnatenko, Ukrainian acting deputy defense minister for arms, told an UKRINFORM correspondent that Ukraine will cooperate with partners on the principles of equality and mutual interest and will not seek commercial advantages.

Ukraine: India Complains Ukrainian Aircraft Violate Laws

LD1103072296 Moscow ITAR-TASS in English 0642 GMT 11 Mar 96

[By Leonid Kotov]

[FBIS Transcribed Text] NEW DELHI, March 11 (Itar-Tass) — India's civil aviation chief has sent to the Ukrainian Embassy in New Delhi an official notification of a gross violation of the air traffic rules by the Ukrainian An-32 aircraft whose "unsanctioned landing" at Bombay airport on March 4 caused a hazardous situation in the airport zone.

The note contains a demand that Ukraine provide an explanation of the crew actions during the aircraft's flight over India two days after the expiry of the term of the official permission to enter Indian air space.

After landing in Bombay, the An-32 which carried a load of equipment for the Indian army was arrested by the local authorities and its ten crew members were taken in custody.

The investigation is underway and the Ukrainian airmen are being questioned. According to available data, they admitted having violated Indian law on flights of foreign aircraft in the Indian air space and explained their "unplanned" landing in Bombay by the lack of fuel aboard the spacecraft.

It is not immediately clear what to expect but the Indian authorities are likely to allow the plane to continue its flight upon receiving formal apology.

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Five pilots from Lithuania involved in an earlier incident with their An-26 plane are in for greater trouble. The incident caused by them has already made Indian authorities to toughen rules for flights of all Antonov aircraft over India.

Last December, the An-26 secretly dropped weapons over the state of East Bengal. The aircraft was subsequently forced to land by Indian fighter planes, its crew were arrested and are now awaiting trial.

National Affairs

Ukraine: Moroz on Agriculture, Power, Constitution

WS1103115096 Kiev HOLOS UKRAYINY in Ukrainian 5 Mar 96 pp 3-4

[Unattributed report on speech by Ukrainian Supreme Council Chairman Oleksandr Moroz at the Academy of State Development in Kiev on 26 February: "Marketable Land Is Not a Commodity"]

[FBIS Translated Text] **As we have already reported, on 26 February 1996 a meeting was held at the Academy of State Development between Ukrainian Supreme Council Chairman Oleksandr Moroz and deputy heads of rayon councils on issues of the agro-industrial complex [APK]. We offer to our readers a report on Oleksandr Moroz's speech.**

Oleksandr Moroz briefed the participants in the meeting on negotiations between a Ukrainian Supreme Council and Russian State Duma delegations. The negotiations were held in the form of a constructive dialogue. The two sides touched upon many common problems. Russia's State Duma is oriented toward businesslike, constructive cooperation with Ukraine's parliament, given that both we and the Russians believe that our relations play a strategic role in our foreign policies. This is envisaged by the foreign policy concept adopted by the Supreme Council of the previous term.

Speaking about the APK's significance for Ukraine, the Supreme Council chairman underscored: As long as order is not restored in the APK and as long as the Ukrainian villagers are not wealthy, it will be hard to speak about a strong, sovereign, and rich state.

The rates of decrease in output and labor productivity are somewhat lower in the APK than in other sectors, which is primarily due to the specific nature of agricultural production, which combines two elements. The first is the natural element, which lies in the fact that our labor yields results thanks to the fertility of our land, that is, thanks to its potential, which depreciates slower than the potential of the industrial sector.

The other factor is of a subjective nature: People working in agriculture are cautious, experienced, and, I would say, highly conscientious. They have become accustomed to all kinds of turnabouts and modifications. They have their own philosophical view of life: Authorities may come and go, policies may change — one has to sow anyway. Everyone gets smart when there is enough bread.

Those are the determining factors which influence the results of work in the APK. But it should be pointed out that those factors are not eternal. Of course, land will produce something anyway, but this kind of attitude will not lead to anything good. If we do not use fertilizers or, for instance, do not use crop rotation, which has been observed in a number of regions, the production decline will be catastrophic. We must find all possibilities to restore the fertility of lands. We must undertake appropriate measures to achieve this. Therefore, the APK and politics are tightly woven-together notions. People see that at first glance there are plenty of certain products in the stores of Kiev and other cities. However, when we look at the prices and at the origin of those products, the following question unintentionally comes to mind: In what state do we live? We live in a state in which we can produce enough bread and other food, but where Dutch butter and German sausage are sold, foreign products which most people cannot afford to buy.

How can we explain the fact that domestic production has become unprofitable, although new technologies allow fuller processing of produce?

Animal husbandry is perhaps the most typical example. We are experiencing a colossal decline in the production and procurement of all kinds of animal husbandry products. This is a very alarming trend. Moreover, I do not refer to the production decline alone. When average daily production of milk per cow is 1.5 liters, farm managers realize that they will not have money to pay milkmaids for their work. However, they have to pay, if not with money, then at least with products. Meanwhile, this is the exact redivision of labor [as published]. The situation in other sectors is the same. For instance, at the Darnytsya silk combine workers get paid in the fabric manufactured there. However, they cannot exchange fabric for other commodities; they should sell it first. The state cannot exist with this kind of subsistence economy.

This kind of situation is not only typical for us. Members of the Russian Federation State Duma Committee for Budget, Taxes, Banks, and Finance told us that in January-February 1996 the state had collected only 33 percent of envisaged taxes. We have an almost identical

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situation. The more traits of subsistence economy, the more exchange of products and barter deals, the more degenerated become the foundations of our statehood. The point is that the state performs its functions mostly based on the budget, and the budget is formed by taxes along with other revenues.

Let us use several key tenets to analyze the reasons behind the hard economic and financial situation of the agricultural sector.

A significant drop in GNP was observed in 1991-1995. The average decrease stood at 33 percent.

The heads of cattle, pigs, and poultry dramatically decreased in the public sector.

I would like to draw your attention to the fact that both in industry, particularly in machine building, and in agriculture high-tech branches are often the most affected by crises. In the APK, poultry farming is this kind of hi-tech branch.

Against the backdrop of a dramatic decline in agricultural production, the economic and financial situation of commodity producers worsens due to the growing disparity of prices for agricultural products on the one hand, and for industrial products on the other, as well as due to the absence of a mechanism for regulating and subsidizing prices and incomes in the APK.

When I use the term "disparity of prices" I interpret it as an abstract notion, for I am aware that, in essence, there can be no parity of prices for agricultural and industrial products.

We should map out the state policy toward the countryside proceeding from this. It should be directed at supporting agricultural production with credits, bank settlements, and subsidies. We should not be afraid of these words. In Ukraine's economy, there are two sectors in particular which cannot do without subsidies: the coal mining industry, a component of the power engineering complex, and agriculture in general. We should realize that. Those who hope that free market prices will do the job do not understand the essence of the problem.

Thus, from the very start we have to acknowledge the fact that disparity of prices is an extremely serious phenomenon. Prices for industrial products went up almost 20,000-fold in 1991-1994, while prices for agricultural products rose only 4,500-fold.

Within the same period, prices for energy resources, in particular oil products, converted into dollars went up 12-fold. The corresponding prices for agricultural products only tripled or quadrupled. The situation did not improve in 1995. Thus, the gap is real.

This has driven the agricultural sector into a chronic debt status and made it unprofitable. Therefore, in 1994 kolkhozes, sovkhozes, and agricultural enterprises lost more than 640 trillion karbovantsi in current prices. In fact, this money was spent on subsidizing the consumer market and Ukraine's population.

One more thing. The exacerbation of the financial situation of agricultural producers has led to a dramatic decrease in the consumption of basic production resources by them. Within this period [as published], the consumption of mineral fertilizers decreased sevenfold; of pesticides and herbicides — 3.5-fold; of oil products — twofold; of spare parts — sevenfold; of tractors — 49-fold, and so on.

The production of agricultural machines is problematic in essence. Meanwhile, there are shortages of this kind of equipment in Ukraine.

At the same time, farms can virtually purchase no hardware, equipment, herbicides, or pesticides because of their low solvency. Just think: to buy a "Don" combine harvester one should sow 250 hectares of grain crops and harvest 780 tonnes of grain. To buy a harvester for $200,000-250,000, one has to think hard on what to sell and where to take such a huge sum. Hence, we may consider the expediency of buying grain harvesting equipment in the United States.

Speaking at the conference on the issues of the national program of the APK's development in December 1995, I urged a detailed analysis of this question. On the one hand, it would be good to purchase 2,000 U.S. harvesters, because each replaces four "Don" combines and, given rational use, we can recoup the investment within a couple of seasons. On the other hand, let us approach the problem from the perspective of maintenance. Our repair facilities are absolutely not suitable for servicing U.S. harvesters. Hence, when purchasing hardware we should think twice. Perhaps, it would be better to buy "Don" harvesters at this point, given that 60 percent of components, units, spare parts, and subassemblies are manufactured in Ukraine. At the same time, we can launch domestic licensed production of, for instance, German or Italian harvesters. I, for one, think that by granting Ukraine a credit for purchasing 2,000 harvesters, the U.S. Government supports its own economy. Meanwhile, we will have to repay the technical credit.

I doubt that this is a well-considered and smart move. I have talked to the head of the Commission for Issues of the APK about the well-known resolution discussed by the Supreme Council regarding the financial situation of farms and spring field work. He told me that initially the following proportion was envisioned: a tonne of grain

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for a tonne of fertilizers. Currently, the government suggests that a tonne of grain should cost $100 and a tonne of fertilizers — $139. What kind of parity of prices is this?

There is another reason, too. The critical financial situation of the agricultural sector and of the producers of agricultural commodities could not but affect the farmers' labor motivation. This motivation has dramatically decreased. Wages in agriculture are currently two to 2.5 times lower than in other sectors of the national economy. In terms of wages, agriculture occupies 22d place among 25 basic sectors of the national economy complex. Moreover, those sorry wages are paid to farmers irregularly. In light of inflation, everyone realizes the consequences of delays in the payment of wages.

What is equally significant, the crisis in agriculture has been aggravated by the fact that a number of Supreme Council laws and government resolutions have not been implemented, and by the imperfection of the legislative basis on issues of the APK's development.

In my opinion, we do have good laws. I was co-author and even author of some of them, including the laws "On the Priority Nature of the Social Development of the Countryside and the APK," "On Collective Agricultural Enterprises," and "On Private Farms." With these laws we tried to resolve many currently emerging problems.

Meanwhile, problems emerge in the course of implementing the law on the priority nature of the social development of the countryside, namely covering expenses in the social sphere. The point is that a number of enterprises no longer develop this sphere because of their complete financial bankruptcy. However, there are also kolkhozes which keep afloat, thus laying legitimate claims for reimbursement [of expenditures on the social sphere]..

Therefore, those expenditures should be covered by budget funds, at least at the oblast level. Expenditures on the maintenance of specific facilities should be determined in the regions, proceeding from the condition of the enterprises' social infrastructure.

At the same time, we still have not passed laws — which is the Supreme Council's fault — on prices and pricing in the APK or on taxes and duties levied on agricultural producers. I would like to touch upon a very sensitive problem in this context related to land relations and land, as well as land reform in general in light of the issues of prices and pricing in the APK, as well as on taxes and duties levied on agricultural producers.

What I mean is: The following problem has matured — farmers should pay one tax, the tax on land. It is not easy, given that currently around 20 kinds of taxes and duties are levied on them.

How to resolve this situation? We passed the law on land prices in the first reading. A resolution passed in this regard authorizes the Cabinet of Ministers and appropriate Supreme Council commissions to draft a package of documents which would determine the taxation policy concept in the APK, based on making the tax on land the principal kind of tax.

The tax on land should constitute 75 percent of the aggregate number of taxes and duties levied from agricultural producers. The other two or three taxes should not exceed this aggregate sum. This will create an incentive for the efficient use of land. The current economic system envisions that the more producers become involved in [advanced] technologies, the heavier burden of taxes they have to shoulder.

I am sure that there should be no additional deductions from the wage fund or from other results of enterprises' activities.

Therefore, I believe that namely this formula will enable the creation — on a stable basis and within an extended period of time — of conditions that would stimulate labor productivity and higher volumes of agricultural production.

This is related to the extremely important issue of land reform. It has been the subject of long-lasting discussion in our society. My stance on this issue significantly differs from the stance of the president, and certain people use this as pretext for all kinds of speculation. However, in this situation I proceed from the interests of the state and of the people who work the land.

I am sure that we currently have no grounds to transform land into a commodity, I mean marketable land.

Based on the law "On Property," the Land Code, and on the law "On Collective Agricultural Enterprises," around 25 percent of land was removed from collective and state ownership. According to the law "On Private Farming," this land entirely falls under private ownership laws, including its use as collateral. As long as this process is not controlled by the state, we should not even talk about the division of land into shares and the right of owners to secede from [collective] enterprises.

Let us analyze the consequences of implementing the presidential edict of November 1994. If we divide land, we will initiate extremely complex and tragic processes in Ukraine. I do not believe that we currently have specialists in Ukraine who would be able to divide land in a specific village. I do not believe that an appropriate methodology can be found. We can evaluate

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land in cadastre parameters; we can take into account the enterprises' economic potential or the frequency of using fertilizer; however, a lot of subjective factors will emerge. For instance, the land allocated for my neighbor once belonged to my grandfather; or one plot is closer to the village than the other; or one plot is on a slope and the other on a plain, and so on and so forth. Thus, it is impossible to divide land among people and meet all their demands and interests.

I recently saw for myself the consequences of the division of land and the ruination of [collective] farms in Lithuania. One-third of the land is currently unused in Lithuania. I was warned: Do not allow in Ukraine what was done in Lithuania in 1992.

Eighteen months ago I happened to visit Hungary. At a certain enterprise there, people could not divide land for two years after the capital stock had been divided in an exemplary manner.

When I analyze all these facts, I cannot understand why we are voluntarily going into a trap.

In Russia, too, they bungled everything, but finally came to their senses. The president [Yeltsin] explained that he had meant differently. However, it is important what one does and not what one says.

Specialists and managers should now analyze and fully master the Land Code and all the laws dealing with land. For instance, one should clearly realize the essential difference between a share and an allotment [chastka] of land.

The point is that the law does not determine what shares and allotments are. Speaking in general, all land on the territory of a village council lies within the competence of that council, including kolkhozes' and cooperatives' land. If it is divided among all the people who live and work there in various sectors, this will be an allotment. The Land Conde envisions that people have the right to receive this land for free in full ownership. If owners of allotments want to establish a separate farm, they can receive an additional plot of land envisioned by the law "On Private Farms." People can receive their allotments also on reserve lands, without ruining the general system of land ownership.

Meanwhile, shares are undoubtedly larger. People who are not members of an enterprise, for instance pensioners, have no right to receive shares. At the same time, a free land allotment envisioned by the Land Code constitutes a part of a share.

Let us look at things from a different perspective. People who live in villages and are not members of agricultural enterprises, are they beyond the law? Of course not. This issue should be resolved. We only just mentioned land reform; meanwhile, people in suburban areas already demand that agricultural enterprise managers allocate land shares for them.

What is the value of a land share, for instance in Sovky near Kiev? Who will determine the price? Particularly since this price will be several-fold higher than the price for an identical land plot somewhere in the provinces. The question arises: What about equal starting conditions and equal right to common property?

This is not an easy problem, even if we approach it theoretically. Meanwhile, land has always been and will be a material thing.

Therefore, we should legally coordinate all the issues. Otherwise, we will be faced with countless complex problems.

We currently have an unstable financial system in Ukraine, a distorted dollar exchange rate, and the like. If we make land a commodity, we will irreversibly lose it, and for a song. Land will be devaluated at the very moment of its privatization. Afterwards, when nobody will be able to take it away from owners, its price will dramatically go up again.

I do not understand this kind of policy and I do not accept it. Where is the solution? I already said that prices for land should be substantial, around $3,000 per hectare. The major part of this money should be included into the budgets of local councils and used to restore the fertility of lands. In this case, land will be in constant turnover, as happens all over the world.

Market relations exist in Holland, but it is much harder to buy land there than in Ukraine. Or take Israel where agricultural production is collectivized. Incidentally, Israeli experience deserves special attention and analysis.

Finally, about an extremely important subject which evokes heated debates: I mean the law on the peculiarities of property privatization in the APK. Perhaps, certain enterprises do not quite fall into the formula of privatizing or auctioning by processing companies. Therefore, they oppose privatization.

In my opinion, in the immediate future — and I already gave relevant instructions — the Commission for the APK, Land Resources, and Social Development of the Countryside, together with appropriate executive structures, should compile a list of companies exempt from this law. The list should include processing, servicing, and construction companies, fodder factories, and the like.

As for land reform in general, we should observe two Supreme Council resolutions on expediting land reform,

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particularly while issuing land ownership certificates to collective enterprises. This work should be completed. Incidentally, this corresponds with the well-known presidential edict.

One cannot ignore these requirements, because otherwise the time will come when there will be no one to apply for those certificates. I think that, in essence, the division of land into shares is not the state's task. It should be carried out by the people who live on that land. We should only offer them a model and a methodology. Our task is to ensure relations between the countryside and the state, and not to interfere into the APK's affairs.

Despite the fact that certain people use my concept for speculation, I will repeat: There is no need to teach farmers how to work. The state should provide the necessary equipment, fertilizers, support on the part of banks, and the like. Then we will receive anticipated products from the countryside. Unfortunately, we still do not have a national program for the development of the APK.

Now about the 1996 budget. We made colossal efforts to discuss the budget bill in commissions and factions. I think that we have agreed on the principal ideas of the most important document of the year. Moreover, we have found the possibility to cover expenses in the social sphere and in the development of production.

I am glad that for the first time ever we are passing the budget in cooperation with the government, which means that we have eliminated the trend of working separately on this document.

Within the limits of the budget, we have passed a Supreme Council resolution on rendering assistance to farmers for carrying out spring work. We authorized the Cabinet of Ministers to use budget funds in full volume for farmers' needs. We do not want to be blamed later for causing monetary emission by using money not envisioned by the budget.

About the use of emission to clear the domestic debt: A budget deficit of 6.2 percent has been envisioned. Emission is one of the components to cover it. If the Cabinet of Ministers believes that it is necessary to use these funds for the sowing campaign, they are welcome. These funds will return to the budget anyway in the form of the future harvest.

Finally, about the constitutional process: Patriotic politicians and citizens are interested in having a democratic constitution.

I primarily believe that the constitution should guarantee an explicit division of authority between the branches of power in order to make each branch perform its functions and to avoid such situations as currently occur, when the Supreme Council drafts laws and edicts are issued [based on these laws] that have the status of laws. The Cabinet of Ministers, too, issues resolutions which have the status of laws. This should not happen.

We should envision a principle which, instead of dividing the branches of power, would combine them through a system of counterbalances and deterrents. Thus, there should be an explicit correlation between the Supreme Council and the Cabinet of Ministers. The Cabinet of Ministers should be subordinated and answerable to the legislative body. There is no other option. This is a norm accepted worldwide. Meanwhile, currently, in accordance with the Constitutional Accord, the president unilaterally forms the Cabinet of Ministers, appoints and dismisses ministers.

The Supreme Council is formed according to different principles. One can see that we have different standpoints. The constitution should eliminate the permanent source of contradictions and conflicts by envisioning mechanisms which would unite the branches of power and prevent social splits.

As for a one-chamber or two-chamber parliament, I must say that an overwhelming majority of Supreme Council factions clearly advocate a one-chamber parliament. We need a single strong state in which all branches of power will be equally strong. Meanwhile, advocates of a two-chamber parliament are trying to weaken the legislative body. Of course, nobody will be victorious in that event.

About presidential powers: Is the president head of state or both head of state and head of the executive power? This is an extremely important question.

Certain drafters of the current constitution suggest that the Cabinet of Ministers be stripped of the right of legislative initiative. I have a question: How can that be? Laws are written to direct the activities of the executive power. It would be nonsense if the Cabinet of Ministers had no right to participate in the drafting of laws or the right to promote its legislative initiatives. Everything boils down to writing in the constitution: the president is the head of state. He should perform all the functions of the head of state, but he should not be responsible for the executive power's activities. Hence, he would appoint and dismiss ministers, but the Cabinet of Ministers would be responsible for all the affairs.

Thus, our constitution should envision normal mechanisms, just as the constitutions of Switzerland, Austria, Hungary, and other states. We should work based on these norms.

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The article on local power is undoubtedly the weakest in the new draft constitution. I do not mean to offend those specialists who drafted it, but I have the impression that they do not have a full picture of local power, its functions, and the like.

I think that more discussions will be held on this issue. In general terms, the constitution should determine the basic level [of power] — village, settlement, rayon, district, and oblast councils. Those are legal entities. The state currently rests on the rayon level, given that rayons have traditions and that appropriate legal relations have been formed there over many years. People are used to those relations. All this cannot be dashed and rejected, as certain people would like to do. We must not throw the baby out with the bathwater.

We should consult the experience of democratic states to see how those problems are resolved.

I believe that all these issues should be coordinated in the new draft constitution in the best possible manner. I will do everything to achieve consensus and accord in the Supreme Council. The constitution should be passed namely by the Supreme Council, because it would be unwise to hold a referendum on this issue. We would simply derail this important process.

Our principal task is to pass a new democratic constitution written to serve us today and in the future. We should retain peace and accord in society and to lead the state out of the crisis situation.

Ukraine: Marchuk Comments on Fire at TV, Radio Center

LD0903150696 Moscow INTERFAX in English 1320 GMT 9 Mar 96

[FBIS Transcribed Text] KIEV, March 9 (Interfax) — The fire in the Kiev television center came as a result of violation of fire-prevention safety regulations, Ukrainian Prime Minister Yevheniy Marchuk said at an extraordinary session of the Ukrainian Civil Defense Headquarters in Kiev Saturday.

According to early reports, the rooms housing equipment which is not switched off at night were not timely examined, Marchuk said.

The fire will be investigated by a governmental commission led by Deputy Prime Minister Vasyl Durdinets, Marchuk said.

Chairman of the Ukrainian State TV and Radio Company Zinoviy Kulik said the fire fully disrupted the functioning of the central radio operating room and the television and radio broadcasting operating rooms. The majority of studios has been affected by the fire as well as four floors in one of the building's wings, he said.

The radio company suffered the most from the fire, Kulik said. He conceded that "a rapid repair operation is impossible."

However, Kulik promised that both national TV channels would fully resume broadcasting in the next five or six hours.

Ukraine: Report Warns of Imminent Rise of Terrorism in Country

AU1003175696 Kiev HOLOS UKRAYINY in Ukrainian 6 Mar 96 p 5

[Report by Lyudmyla Fisyun: "Beware: Terrorism"]

[FBIS Translated Excerpt] According to police sources, anonymous phone calls warning of terrorist acts are received regularly at Kiev's educational establishments and institutions, but there are not enough specialists to check their authenticity or detain the anonymous offenders themselves. [passage omitted]

Yet another time, the world was shocked by the events in Budennovsk, Kizlyar, and Pervomaysk. Germany, the Czech Republic, and other states took defensive measures following threats made by Chechen leader Dzhokhar Dudayev against Western countries and accusations of "complicity with Russia." (According to Dudayev's assertions, Moscow has received $6.5 billion to continue the war in Chechnya....)

Ukraine takes the problem of terrorism quite seriously. A month ago, Supreme Council commissions for issues of combating organized crime and corruption and for issues of enforcing law and order were tasked with drafting a legislative bill on combating terrorism as fast as possible. Mykola Chyvyuk and Mykhaylo Ratushnyy were put in charge of the project.

M. Ratushnyy divides Ukrainian terrorist acts into criminal, political, and those initiated from outside (subversive). For example, every month, anonymous callers threaten to steal aircraft, bomb buildings, blackmail state leaders, and so on. Cases of stealing weapons have become almost mundane occurrences. According to Leonid Borodych, Ukraine's deputy minister of internal affairs, as a result of the January operation "Zbroya" [Weapons], 7,200 units of firearms were confiscated, including five grenade launchers, nine machine guns, 41 submachine guns, 260 carbines and rifles, 332 pistols and revolvers, 375 grenades, 78 kilograms of explosives, and 249 explosive devices. In short, enough for everybody, unless corresponding legislation is adopted and there is a sufficient number of organizations to supervise the fulfillment of laws.

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While our legislators seek court justice against Ukrainian terrorists, the latter are preparing their own "court of law."

To begin with, according to information from some sources, the "Union of Soviet Officers" in Uman promises to deal "through the court of Soviet honor" with.... Hryhoriy Omelchenko, chairman of the parliamentary Commission for Combating Organized Crime. As well as with the journalists who published materials against the war in Chechnya.

...Terrorism claims human lives. If it is not counteracted, it will prevail. This is so clear! We should not react to yet another telephone call about a booby-trapped Kiev school as innocent children's mischief. I still shudder from those memories. Not just me. It is terrorism. Anonymous, so far and, thank God, not put into effect.

Ukraine: Crimean Supreme Council Sends Ultimatum to Kiev

LD1003210396 Kiev UT-1 Television Network in Ukrainian 1900 GMT 10 Mar 96

[No video available]

[FBIS Translated Text] An emergency session of the Supreme Council of Crimea discussed the political and legal situation in the relations between Simferopol and Kiev, our correspondent reports from Simferopol.

The Sunday session was called in connection with the Ukrainian draft Constitution of 24 February 1996, which proposes replacing the Crimean Republic's Constitution with a Statute of the Autonomy. Deputies were not stopped even by an appeal from Ukrainian Supreme Council Chairman Oleksandr Moroz to refrain from making any decisions on the matter. The Ukrainian speaker argued that the opinion of the working group that drafted the Ukrainian Constitution did not represent the view of the entire parliament.

The session, attended by Crimean government leaders, several deputies of the Ukrainian Supreme Council, and the Ukrainian president's permanent representative in Crimea, approved a resolution on the issue. The Crimean Supreme Council ruled that the Ukrainian draft Constitution's clause on the Republic of Crimea violated Ukraine's obligation to act as the guarantor of Crimea's legal status and other legislative acts. The deputies voted to support an appeal to Ukraine's leaders, issued earlier by the Presidium of the Crimean Supreme Council, against what it described as steady withdrawal of rights previously granted to Crimea. The autonomy's parliament urged Ukraine's Supreme Council to discuss and approve the Crimean Constitution by the end of March. In the event of this demand being ignored, it reserves the right to approve the Constitution by an all-Crimean referendum.

A separate resolution calls on the Ukrainian Supreme Council and president to rescind the decree on the Ukrainian president's permanent representative in Crimea.

Economic Issues

Ukraine: Marchuk Interviewed on Economic Issues

LD1003234096 Kiev Radio Ukraine World Service in Ukrainian 1730 GMT 10 Mar 96

[Studio interview with Ukrainian Prime Minister Yevhen Marchuk by correspondent Borys Ivashov; date not given — recorded]

[FBIS Translated Text] [Ivashov] Yevhen Kyrylovych, I would like to start with this. All that is happening in the life of Ukraine today prompts all of us, without exception, to think about tomorrow, about the strategy and tactics of our progress toward this tomorrow. Attempts to forecast developments are hardly rewarding, it was easy to forecast the year ahead in the times of the USSR, in the '70s, when there were hardly any problems and optimism was widespread, as all was well in the friendly family, the historic community of people, the Soviet people. Together with our listeners, I would like to ponder how economic, social, and political processes are developing in Ukraine now and will do so in the near future. Of course, it is a complex question, and it will take a long time to cover all the details, so we will try to examine the most important aspects, those that worry you most personally and all Ukrainian citizens.

To begin with, perhaps you could give us a brief overview of current (?trends), first of all in the industry.

[Marchuk] Everyday problems faced by each citizen, regardless of his status, are the government's prime concern, because politics is worth nothing if it serves any purpose other than people's everyday interests. What are these interests? Heating, food, a roof over their heads, and money in their hands. Given that, the government's activities, the program of government activities and the plans made in a follow-up to this program are designed to solve the most urgent socioeconomic problems in the quickest possible way. People's living standards are still low, we must be honest about that, and in many aspects we are still unable to say when to expect an improvement, but we cannot understate the positive changes that have taken place in our economy. Although they are still far removed from the individual and have not approached him yet, and may be this aggravates people even more, still, they should be mentioned.

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We are now using certain methods in a consistent and organized manner. I will list a few of these organizational steps. There are problems in this respect, and having studied the causes of various shortcomings, we found that, apart from the general economic factors, many had a subjective nature. This means they were caused by poor organization, lack of discipline, disorder, and inept business management. Many have forgotten their prime responsibility to the state and people on the whole. That is why, in the past few months, we have concentrated our attention on the regions. I will mention only the past two days. Today, Deputy Prime Minister Ivan Kuras and the head of the State Committee for Medical and Microbiological Industry returned from Odessa where they held a meeting with all managers of pharmaceutical enterprises. Today, this is a very acute problem in Ukraine. We have enough industrial facilities but lack raw materials, and the sector is disorganized. The government made a special decision on the matter, and the deputy prime minister and the state committee chairman held this meeting in Odessa in order to organize this important business.

Deputy Prime Minister Anatoliy Kyrylovych Kinakh and the industry minister are in Chernigov, where they are meeting light and textile industry managers. The thing is that we need rather urgently to relaunch our powerful textile industry. The only problem is raw materials and funds. There is no shortage of specialists or facilities. And now, as I said, the ministers are in Chernigov, working on a specific problem.

Deputy Prime Minister Durdynets, the radio has just reported this, is now in Odessa. He will also visit several other regions where a special group is attending to the most important task of the government, how to avoid negative consequences of the spring flood. Unfortunately, this problem now demands very responsible attitudes.

First Deputy Prime Minister Lazarenko has been sent to Moscow in order to sort out finally the problems of nonpayments for gas. He was instructed at a recent government meeting to settle this issue because a lot of problems have accumulated there.

Pavlo Haydutskyy, the minister of agriculture and food, has recently returned from Crimea where he was dealing with the organization of the spring sowing campaign in Crimea, because it is there that this campaign begins before other places.

A group of our experts is now in Moscow preparing negotiations with Russians, because there will soon be negotiations with Chernomyrdin mostly concerning mutual economic issues.

I have just outlined in brief those organizational measures which, as you see, are now organizationally oriented toward regions, but in their essence these issues are the most important for people. I am not even speaking about my recent trip around the Donbass where I directly met specialists and directors, primarily of the coal industry, power engineering, directors of power stations, and other industries, including the metallurgical industry, where the issue of power engineering was studied with the participation of our ministers. This is a fundamental and priority issue with which I am now dealing personally. Also the Chernobyl nuclear power station, Slavutich, is also an integral part of the most important issue for us, because this winter especially showed to us that power engineering is a fundamental industry not just on paper, but in reality too and therefore we must act quickly and expertly in bringing order into the coal industry, thermal power engineering, nuclear power engineering, hydro power engineering, and even wind power engineering.

Thus, we are talking in terms that every day issues are solved by us both at the level of the fine tuning of the mechanism of payment of wages to the organizations subsidized from the budget, to teachers and miners, and on the level of creating a basis for substantial improvement of the work of such an important industry as power engineering... [words indistinct] ...we are following parallel courses both in solving tactical issues of today and are also looking into the future by approximately 10 years, both in metallurgy and power engineering.

[Ivashov] Yevhen Kyrylovych, will you agree that we all understand that the implementation of market reforms can be difficult and slow and, as I know, both you and the government as a whole, as well as the rest of the country are concerned with certain inertia and indecision and sometimes the obstruction of reforms by regional and sectoral executives. You have just told us about certain breakthroughs in the Cabinet of Ministers, and on the whole there is an obvious question concerning the effectiveness of the work of ministries and departments in the implementation of economic reform and the program of government activities. I have a letter from which I will quote one sentence, it is from our listener Nechyporenko from Kiev Region: Yevhen Marchuk has been appointed the prime minister, who is a serious and (?effective) person, sure of his own abilities. However, already the first appointments to ministerial posts have spoiled the mood of some optimists and showed that obviously one should not expect any serious changes. Maybe this is a categorical statement but at the same time, it is frank and fair.

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[Marchuk] Of course it is fair to a certain degree, because a certain time later the forecasts were confirmed and, as you know, on the government's request and on the basis of the results of an inspection of the state of affairs in the coal industry, the minister of the coal industry was relieved of his post by a presidential decree and a certain time later — the head of the State Committee for the Use of Nuclear Power.

There are many problems now in other sectors, too, such as the military-industrial complex, machine-building, and conversion, but I will not make sudden revolutionary conclusions here. Considering that for decades the system was [words indistinct] and the fact that we were late with reforms throughout the economy, [words indistinct], it is futile to hope that one can radically change anything in any individual sector at once, while the whole economic infrastructure and the legal framework remain unchanged. That is why I will not make any conclusions about individual personalities. However, I must say that listener Nechyporenko is right to raise the issue. The issue of discipline and responsibility among ministers and state committee chairmen is being raised very seriously.

Yesterday, at a meeting of the Cabinet of Ministers, I had to postpone a discussion about the implementation of the 1995 budget. The issue was poorly researched, the speaker came unprepared, and it took one question to him to show that he was not ready to report. He was reprimanded, the issue was withdrawn from the agenda, and he was given three days to prepare this important report on the implementation of the 1995 budget.

A few days ago, as I reviewed the participation of ministers, state committee chairmen, and deputy prime ministers in the settlement of gas arrears, I not only reprimanded, but cautioned Yevhen Dovzhok, the chairman of the State Committee for Oil, Gas, and Oil Refining Industry. He, Bohdan Klyuk of Ukrhazprom, and the chairman of Ukrhaz could not even give a clear report on the state of affairs in their sectors and progress in repayments, and they were also seriously reprimanded, the issue was withdrawn, and First Deputy Prime Minister Pavlo Lazarenko was instructed to attend to the matter in person and report to me. So the listener was right to raise this question, it must be our inertia in terms of personal responsibility at all levels for the matters entrusted. And we will continue to raise this question, regardless of whether it is a cabinet expert or a deputy prime minister.

[Ivashov] Yevhen Kyrylovych, the Supreme Council has not yet approved the 1996 budget proposed by the government. The discussion of the draft was very difficult, and one can see many reasons for that, procrastination on the part of the parliament and some lack of coordination in the Cabinet of Ministers during the preparation of this vital document. On the other hand, the situation in the country makes any work on such documents very difficult. One reads the numerous conclusions made by experts and deputies who say that the budget fails to guarantee that people's living standards will not deteriorate further, to quote Valentyna Semenyuk, a member of the Communists of Ukraine for Social Justice faction, from the article — 1996 Budget: What Will It Be? — published in the HOLOS UKRAINY. Such remarks inspire no optimism among Ukrainian citizens. Could you comment briefly on this Achilles' heel?

[Marchuk] This is no Achilles' heel. For Achilles, the problem was to take his foot off the earth once he touched it. I will say at once that no budget can guarantee anything if there is no serious procedure to implement the budget and no team in the government and down the power structure to implement it. And the third most important thing is that many people today find it hard to realize that the budget cannot meet all of our needs. I do not know whether everybody is aware that the actual resources available meet only half of the needs quoted by the ministries. In other words, the requirement for budget funds twice exceeds the available means.

Indeed, the budget cannot cover everything, one has to define priorities, to concentrate resources on them, and tell people that they have to be patient in some aspects and that it will be better if one will do without a new cultural center in one's village instead of a cold and unkempt one. Let it be old but warm and well equipped, at least for the time being. We are good at building palaces, but without concentrating on priorities and on a number of financial and resource possibilities we will always be falling behind [word indistinct].

[Ivashov] Before meeting you, Yevhen Kyrylovych, I analyzed our voluminous correspondence received over the recent time and noted several characteristic themes. The greater majority of those who write, speak clearly and unambiguously for the establishment of political and economic independence of Ukraine; almost 60 percent favor resolute radical changes in the politics and economy and only about eight percent of citizens want to return to the past, however, provided there is steady adherence to socialist principles, social justice, and equality before the law.

[Marchuk] What can one say here? Retro is interesting only in art. As for politics and the economy as a rule, this never leads to anything good because changes are taking place around us, there is a movement forward,

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in Russia, Europe, and in the world. Building a model that will freeze the status quo while the world moves on and building a system alien to the outside world will not be a very serious policy. I cannot even see how to begin to analyze it because I will need to start from the basic concepts.

[Ivashov] We are now receiving notes, Yevhen Kyrylovych. Ms. Morhunska from Kiev: Do you think, Yevhen Kyrylovych that the existence of subsidies is a violation of human rights?

[Marchuk] Esteemed listener Morhunska, it is not a violation of human rights. If our economy and budget resources allowed us to do without them nobody would introduce the mechanism of subsidies. However, the mechanism that was previously in place, when prices were equally subsidized both for rich people who, say, earned 100 units and poor people who earned 10 units, that was a violation of human rights. When a state subsidizes a product, devaluing its price, it rewards the rich rather than the poor. The present mechanism, although it may involve a lot of bureaucracy, envisages that subsidies are directed individually at the person who needs them more than others. Of course, it would be better if everybody had good pay instead of subsidies. But that is yet to be achieved.

[Ivashov] You already said at the beginning that the [words indistinct] topical problem that affects everyone is the economic crisis. Certain political observers and economists believe that it is gradually receding. Others say that there are no good reasons to talk about some economic recovery. Is it so or is it not? That is one question. Is it true that the rate of the critical slump in material production this year, in comparison with the previous years, is slowing down? On the whole, can one draw any optimistic conclusions? [words indistinct]

[Marchuk] Let me quote a few examples. On the whole, I cannot say that for the state as a whole it is now better and that people can feel it straight away. However, I am asking everybody and myself: Tell me please have the prices increased 10 times quicker than the wages? No. It may be not so obvious, but remember 1993-1994, when prices were going up fast and the wages crawled like a snail.

Second. Our karbovanets was devalued so much during the last year that people lost their savings in the devaluation alone. Producers know that the discount rate, too, did not increase but decreased. Even recently it fell again to 95 percent. On the other hand, we have sectors that showed an increase in output, such as the food industry. It is a small increase indeed, and it still does not satisfy the demand, but the output has started to increase.

I will say this again. You cannot see everything at once, and not everything reaches every individual at once. But such specific, not illusionary, but carefully calculated examples give us every reason to be confident that, provided we implement all the steps we have outlined firmly and consistently, we will overcome this stage of crisis. [passage indistinct]

[Ivashov] I have one more question for you, Yevhen Kyrylovych, if you can comment briefly. We are approaching a sad date, the 10th anniversary of the Chernobyl disaster. The elimination of its aftermath is a task of foremost importance. At the same time, the government intends to pay a great deal of attention to nuclear power engineering as a priority sector. You know that there is a demand to decommission the Chernobyl nuclear power plant. You went to Chernobyl on 1 March, and saw the situation. What is your opinion?

[Marchuk] Indeed, nuclear power engineering is a very valuable integral part of power engineering on the whole, and this winter showed that, given sufficient economic assistance, this sector can not only increase its share in energy output, but even become the core of power engineering.

However, (?it is clear) that the management of nuclear power engineering cannot stay as it is. My meetings with nuclear plant managers and my tour of the Chernobyl plant, together with the managers were dedicated to the problem of how the nuclear power industry should be reformed in a manner suitable to, first of all, nuclear plant managers and the state, and at the same time, without sacrificing the smallest bit of nuclear plant safety.

As for the demands, none are actually put forward to us. The only thing is...

[Ivashov, interrupting] Guarantees?

[Marchuk] We are talking about a different matter. The thing is that the world is scared of Chernobyl, and the word Chernobyl has a certain connotation. Having worked with foreign experts, I realized that many in the West do not understand the full scope of the problem Ukraine is dealing with. And I do not blame them. Some very serious professionals were very surprised to find out that we have already spent over $3 billion just to eliminate the aftermath of the accident. And we yet require at least $3-4 billion, more than we need for education and science. No country in the West ever had to summon such funds. And they need to know. We have made a statement, we have shown consistence with regard to the problem of decommissioning the nuclear plant, and the president made a statement on the political decision to phase out Chernobyl, but Ukraine cannot do

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this alone with its own economic resources. That is why we are putting forward a number of demands that are well known in the West. They are simple. We need to replace Chernobyl with another power station that will produce the same amount of energy, residents of Slavutich need to be provided with equally paying jobs, there should be a safe repository for spent fuel, funds should be allocated, and a project implemented to build the Shelter facility, and all this is designed first of all to protect our citizens. We cannot follow some political trends in the West and ignore the attitude of our people. I suggested that we should go to Slavutich and look into the eyes of employees and their children, before we make a decision.

[Ivashov] Thank you, Prime Minister.

Ukraine: Kuchma's Economic Aide on Signs of Recovery

WS1103075196 Kiev KYYIVSKA PRAVDA in Ukrainian 5 Mar 96 pp 1,2

["Exclusive" interview with Valeriy Lytvytskyy, Ukrainian president's aide for economic issues, by H. Pyvovarov; place and date not given: "The Economy Shows Signs of Recovery. But They Are Not Yet Irreversible" — first paragraph is an excerpt from Lytvyskyy's self-described biography]

[FBIS Translated Text] "I am 47 years old. I graduated from Kiev University. I was on an internship and worked in Great Britain, Austria, and the United States. I speak English fluently. I have long worked at my alma mater, Kiev University, teaching economic theory. I am married with one daughter."

[Pyvovarov] Some experts believe that Ukraine's economic situation is worsening every year. Others contend that the past year showed positive tendencies. As a man who is supposed to possess all the economic information on Ukraine, what do you think about this?

[Lytvytskyy] Last year, Ukraine's economic condition undoubtedly improved, but it is not yet as good as we would like it to be. Economic tension has not subsided, and a lot is to be done to make the rising economic potential irreversible.

[Pyvovarov] What makes you think so?

[Lytvytskyy] Let us analyze the situation, say, in the basic economic industries. Let us take the first months of 1995 and 1996, which, as in early autumn, were the most complicated and difficult periods in the economy. So, in January 1995, industrial production fell by 16.7 percent, compared with 3.6 percent this past January.

Now let us take inflation indicators. In January 1995 it went above 21 percent, compared with 9.4 percent this January. Although this inflation is twice as high as what was planned, it still is half as high as inflation in 1995.

What does this mean? In 1995, for the first time over the previous four years, the pace of decline slowed down almost 2.5-fold, instead of growing. This is an extremely important tendency.

I may be repeating myself, but let me emphasize it once again that the beginning of every year is the most difficult period. By "losing" January, we "lose" the entire quarter, and after losing the year's quarter, it is difficult — or even impossible — to catch up with the arrears within the entire year. As we can see from the figures, last year's economic indicators are the best ever. This is not yet an economic breakthrough, but a possibility for us to attain a new economic quality if we manage to make these signs irreversible. With an inflation of 281 percent last year, it was not realistic to hope that we could curb its decline. This is an impossible thing in the economy. But decreasing inflation is a realistic task [two preceding sentences as published]. In 1996, we are planning to bring it down to an annual average of 33-34 percent. This, in turn, will allow us to bottom out and move from recession to economic growth.

[Pyvovarov] How can we slash inflation so abruptly?

[Lytvytskyy] We could do that if we properly finance the budget deficit, which we unfortunately cannot yet eliminate.

[Pyvovarov] But this deficit is expected to reach a huge 427 trillion karbovantsi [K], which is 6 percent of GDP.

[Lytvytskyy] Last year we started to bridge the budget deficit not only by emissions, printing "empty" money, but due to domestic and foreign borrowing, issuing securities, and taking credits. Even though we will still need an emission this year, it will not be as large as before, and it is expected to be one-fourth of the entire deficit.

The process of bridging the budget gap by issuing securities will be continued this year. We are planning to receive K150 trillion in this way. Last year, we maintained trust in state obligations, fully paying out interest on all of them. Preserving this trust is a vitally important task, as it allows for financing the budget through state credits.

This is possible if one condition is met — stable political support of reforms.

[Pyvovarov] What do you mean by that?

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[Lytvytskyy] Cooperation among different powers, especially between the legislative and executive branches, resolution of issues connected with the constitutional process, settlement of the strikes problem. Without political stability, there will be no trust in the state and, therefore, no credits.

[Pyvovarov] But the Constitutional Agreement failed to remove strains among various power structures....

[Lytvytskyy] Still, I think that the presence of the Constitutional Agreement is better than its absence. I do not want to credit all positive changes in the economy to it, but it is a fact that we are moving toward curbing inflation. In 1995, it was one-fortieth of what it was in 1993 and half as high as in 1994. The decline in production slowed down at the same time. We avoided the hyperinflation of previous years. It stopped to be a spiraling inflation, becoming instead more predictable. We have kept the budget deficit at a planned 7.3-percent mark.

By restraining inflation, we reduced the price of credits almost three times. Last year, the National Bank gave them for an interest of 90-95 percent. We had almost no short-term debts. The national currency market grew to about $1 billion. Wages also rose. For the first time ever, they were about 30 percent higher than inflation.

[Pyvovarov] By the way, what is the average level of wages in Ukraine?

[Lytvytskyy] It is slightly higher than K12.2 million, as calculated per one employee, and about K13.5 million in the industry. In some branches, it is equivalent to $200. Unfortunately, wages in agriculture are much lower, only slightly exceeding K7.1 million. Compared with the industry, the difference is huge, and we should not comfort ourselves by the fact that the rural population receives a portion of their income in nonmonetary forms.

[Pyvovarov] You mentioned positive changes in the economy, but you can hardly call this economy healthy. In this connection, what is there that we failed to do? What economic moves should be made next?

[Lytvytskyy] Let me start from answering the second question. The anti-inflation policy will be continued. Anti-inflation measures should be complemented by structural reforms. Nonpayments and overdue wages, the most frequent reasons for strikes, are consequences of structural distortions in our economy. The restructuring of production should be carried out simultaneously with changing the structure of ownership. The restructuring should be initiated in the industries that "feed" other spheres with fuel and raw materials, such as the coal industry and agriculture. If we manage to eliminate distortions in those industries, we would be able to do the same in other spheres.

By far not everyone understands how important this is because our crisis does not have a clear classical nature. It is largely of structural origin.

Now, let me dwell on what we failed to do or have not completed. The further acceleration of reform will not be possible without changes in the social, taxation, pension, and property policies. I have already said that wages grew for the first time last year — by 3.7 times during a period when prices increased by 2.8 times. But people's actual income was lower due to huge pay arrears, with inflation eroding wages in the meantime.

One should not forget the fact that reforms have a social "price." Economic transformations are only possible if their social cost is acceptable. This is why we will resolutely introduce changes in the system of wages, pensions, and assistance for the most needy social groups.

For the first time, we had a chance of beginning a new year, 1996, with an approved national budget. We lost that chance, which hampers our reforms. We talk a lot about the need to improve the taxation system, but have no necessary laws. The excessive tax burden does not help us stop the decline in production.

[Pyvovarov] I never received an answer to the question of why macroeconomic changes, which are so much talked-about, have little influence on the microeconomic level — the life of ordinary people? How would you answer this question?

[Lytvytskyy] I am often asked a different, but related question: How can wages grow if production is falling?

[Pyvovarov] Yes, how? Where is the common sense here?

[Lytvytskyy] I will not talk about such factors as having several jobs and receiving a portion of wages in forms other than money — in the country, it is a farmer's personal land plot. Incidentally, urban residents also started to buy farm land plots. The main thing is that falling inflation hampers the growth of prices. When this fall is slower, you can buy more for nominal wages, even if production is going down.

As you can see, this does not sound like nonsense, and the answer to your question is not all that complicated. Truth be told, the increase in wages last year was not too visible because in the previous period the fall in real income was extremely rapid. Therefore, for people to feel changes, we require stronger inflation-curbing factors.

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The elimination of the production decline is a cardinal factor for improving living standards of every family. As long as production is decreasing, no one should expect major wage increases. We could only cushion the situation by restraining prices and reigning in inflation. An economic recovery, implying an increase in production, is the only method to solve this problem.

I would like to emphasize that all transformation components, including financial stabilization, restructuring, as well as social, tax, and property changes — should be reformed simultaneously. Otherwise, one cannot expect any positive breakthrough in the economy.

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Belarus

Belarus: Columnist Views Reasons for Unification With Russia

WS1103101596 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 4 Mar 96 p 4

[Commentary by Yuryy Drakakhrust: "BSSR From Brest to Kuril Islands"]

[FBIS Translated Excerpt] [Passage omitted] Why is the political unification [between Belarus and Russia] being forced right now? The reason is clear: The elections of the Russian president are approaching. All analysts are eagerly asserting that Boris Yeltsin needs a spectacular political action that could produce a breakthrough in the election campaign. The number of possible scenarios is small: Yeltsin faces a stalemate in Chechnya. Regardless of whether he will pull the troops out of there or will continue with the war, it is he who will be blamed by the people for the bloodshed.

The president has sharply changed his image: The former democratic leader is now appearing before the electorate as an advocate of the Russian state's greatness and an advocate of the patriarchal-egalitarian ideology [as published]. He is trying to outdo his main rival — the Communists' leader Gennadiy Zyuganov — in the latter's own field. One hero in [Russian dramatist] Yevgeniy Shvarts's play said: *"When you want to beat the dragon, you must become a dragon yourself."* This thesis is central in Yelsin's election campaign strategy. The main theses of his annual presidential address to the Federal Assembly might be approved by the leader of the Russian Communists and, incidentally, by Belarusian President Lukashenka. Boris Yeltsin stated that social policy should become a foundation for economic transformations and that the preservation of democracy is more important than reforms. The president thinks that the democratic forces will have to support him in any case, while the people will support him thanks to a social policy with which he is going to replace the reforms.

The restoration of the great USSR is an indispensable part of the complex of state ideas currently advocated by Boris Yeltsin. However, in the eyes of the Communists' electorate, it was Yeltsin who destroyed the Soviet Union. In connection with this, the joining of Russia by her "Slavic sister" Belarus looks like a very lucky move. Yeltsin will be rehabilitated for the Belavezha agreements in the eyes of the people, and will usurp the Communists' slogan about the restoration of the USSR. However, we need to take into consideration a very important factor.

Russia's influence on economic and political processes is huge anyway. Let us recall, for instance, how recently Leanid Yerin was appointed by a presidential edict to the post of Belarusian KGB deputy chairman; three months before his nomination, he headed the Russian Federation Federal Security Service Directorate in Moscow Oblast. In what other country is such a thing possible? As for the economic influence, we do not even have to mention it: Virtually all key Belarusian enterprises are under Russia's control. This is very important for the Russian state. As for the average Russian voter — who votes for the Communists and wants a comeback of the USSR — this does not impress him very much. He needs a comprehensible and conspicuous symbol that Belarus is "ours," that Belarus is a part of Russia. There is a need for something like the Russian flag on the Belarusian western border, the participation of Belarusian troops in the Chechen war, or withdrawal of embassies from Minsk. In essence, Russia as a state does not need any of the above. It was Stalin who sought Belarus' membership in the United Nations. The main function of the Belarusian Army, from the viewpoint of the Russian General Staff, is to defend the western frontiers. Even Lukashenka, with all his talents, will find it hard to convince Belarusians that it is necessary for them to fight in Chechnya. Nevertheless, some symbol is needed. Judging by all appearances, Lukashenka is ready to help Yeltsin create this symbol.

One can ask why Lukashenka needs all this. First, due to a number of reasons, it is better for him to deal with President Yeltsin that President Zyuganov. Second, as Russian Television observer Nikolay Svanidze remarked, Belarus is too small for Lukashenka, who, in the event of reunification, will acquire the opportunity to play in the Russian political stage. It is hard to say in which position [he will play]. Let us note, however, that even now he is reserving for himself the freedom of maneuvering in the Russian play. In one interview in Moscow, he quoted an excerpt from his conversation with Yeltsin. According to Lukashenka, Yeltsin told him: *"It was easy to break the [Soviet] Union down — we gathered in the Belavezha Forest, drank 100 grams of vodka each... and the Union was no more. But it is very hard to restore something ruined."* This story is not naiveness on the part of a provincial man, but a bomb planted under the partner and a small gift for his rivals. Also, a hint: *"The Union was broken down by Yeltsin, and is being restored by me."*

A scenario very popular in the Russian and Western press says that the play of unification is being staged to postpone the Russian elections or, more precisely, the elections of the president of a new state. There may be various plans, but it is unlikely for Yeltsin to

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implement this scenario. In a state like Russia, with a strong patriarchal tradition, the legitimacy of the power of a top "master" is the most important issue. The reasons for a majority of Russia's discords were actually in the difference of opinions about claims for the throne. As Yegor Gaydar said, it will be better if Zyuganov wins in the elections than if Gaydar comes to power without them. Thus, the reunification of Russia and Belarus should help Yeltsin win the elections, not cancel them.

Finally, it is worth looking at the forthcoming unification in a broader context. The political evolution of Boris Yeltsin is not only an election campaign move. He has been developing this tendency for a long time. Incidentally, this is also the case with the majority of Russians, as testified by the elections to the State Duma. Several years ago many liberal Belarussian intellectuals, while considering the problems of unification with Russia, speculated as follows: *"This is, of course, shameful, but the unification may at least push Belarus onto the path of reforms."* Judging by all appearances, there will not be even this consolation. Let us hope that, following the unification, it will be Russia moving its borders to Brest, and not Belarus (read — BSSR [Belarusian Soviet Socialist Republic]) expanding to China.

Moldova

Moldova: Snegur Rejects Charges of Anti-Russian Bias

LD0803174796 Moscow Radio Rossii Network in Russian 1700 GMT 8 Mar 96

[FBIS Translated Text] Moldovan President Mircea Snegur has rejected charges of anti-Russian sentiments mentioned by Prime Minister Andrei Sangheli in his statement made public on 7 March.

The head of the Moldovan cabinet was prompted to make his statement by last week's suggestion from Petru Dascal, the president's foreign policy adviser, that consideration should be given to the issue of abrogating the Moldovan-Russian friendship and cooperation treaty.

At his meeting with Aleksandr Pankin, Russian ambassador to Moldavia today, Snegur said he saw such views as signifying the start of a campaign against the president's staff and against the president himself.

Snegur emphasized that relations between Moldova and Russia were developing fruitfully and said he was in favor of expanding them. Aspects of the future Russian-Moldovan summit were discussed during the meeting between the Moldovan president and the Russian ambassador.

Moldova: Officials Reiterate Attachment to Treaty With Russia

AU1003160196 Chisinau INFOTAG in English 1930 GMT 7 Mar 96

[FBIS Transcribed Text] Chisinau, March 7 (INFOTAG) — Prime Minister Andrei Sangheli has stood up with a statement in which he says that the assertions of presidential representatives on the necessity to denounce the basic Moldovan-Russian Treaty of Friendship and Cooperation "do not reflect the official position of the country."

In his Statement, delivered to INFOTAG on Thursday afternoon [7 March], the prime minister has stressed on behalf of the government that "the government resolutely rejects these irresponsible initiatives, and calls all state employees to continue their everyday work in a quiet and rational atmosphere, and avoid any involvements into destructive political activities."

"Taking into consideration the existing realistic perspectives for creating a new basis for our relations with the Russian Federation, built on principles of mutually beneficial cooperation, the Government of the Republic of Moldova is regarding the moves of some presidential representatives as an attempt to destabilize the bilateral cooperation with one of the most important partners — the Russian Federation. Not a single political force in any country can afford a luxury to undertake actions which would spoil the international stance of their own country only for the sake of earning political dividends and enlisting the support of allies in internal political struggle. Thus, a universal principle is being ignored, a principle that is respected by all serious politicians — that national interests have an absolute priority over clan and group interests," the document emphasizes.

"The republic has come to have political forces which, being driven by electoral considerations, are seeking to discredit and blockade the government's work, to distract leading officials from their everyday work, and throw them into political struggle", the prime minister writes. He indicates that the presidential apparatus staff "are undertaking actions that are not agreed upon with the government or Parliament, actions which may bring to naught the efforts of hundreds of people, and create tremendous problems to the society."

That is exactly how the prime minister regards the statements of presidential representatives on the necessity to denounce the basic Treaty with Russia and on providing the republic with energy from other sources — without agreement with the government.

Prime Minister Andrei Sangheli underlines that "these actions are being taken in a time when all these

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questions have been included into the agenda of the forthcoming meeting with the Russian Prime Minister Viktor Chernomyrdin, before the visits of the Russian Minister of Foreign Affairs Yevgenniy Primakov and the State Duma chairman to Moldova."

The deputy chairman of the parliamentary Foreign Policy Committee, Fedor Angheli, has classified as ungrounded the recent statement of the Presidential Adviser Petru Dascal on the necessity to denounce the Moldovan-Russian basic Treaty of Friendship and Cooperation due to its alleged obsoleteness. "This statement was unfounded, and is seriously complicating the work of diplomats and the legislature," Angheli said.

"The Treaty non-ratification by the Russian State Duma is not yet a reason for canceling this extremely important document," the deputy told INFOTAG.

"The world diplomacy experience shows that the ratification process is sometimes very painful, complicated, and may last several years. Currently, we have been in active working contacts with our colleagues from the new Duma, and there are all grounds to hope that soon the document will be submitted for ratification by the Duma. Unfortunately, the new Russian forum, as well as the Moldovan Parliament, has certain political forces which are not interested in the civilized development of our bilateral relations. They spare no efforts to upset the ratification, and such hasty statements, certainly, help them a lot," Fedor Angheli stressed.

In his opinion, Adviser Dascal has undertaken an attempt to use the last argument to force the Russian side to ratify the Treaty. "However, such methods are inadmissible in diplomacy, the more so when they are used by a presidential adviser who has no right to voice an opinion which is diametrically different from that of his boss, the head of state," Angheli said.

Moldova: Chisinau, Tiraspol Clash Over Russian Military Withdrawal

LD1103115496 Moscow Mayak Radio Network in Russian 2330 GMT 10 Mar 96

[FBIS Translated Text] The withdrawal of trainloads of Russian military equipment and property from the Dniester region to Russia is continuing. However, this process is certainly not proceeding smoothly. Here is our correspondent, Yuriy Selivanov, with the details:

[Selivanov] Now that Russian military trains have begun moving out, many people are assuming that Russia's military presence in the Dniester region will soon be a thing of the past. However, in reality, the situation is different. Here, for example, is the view taken by Lieutenant General Valeriy Yevnevich, commander of the operational group of Russian forces:

[Begin Yevnevich recording] The operational group of Russian forces in the Dniester region is not being reduced. It is being reshaped, along with the rest of the armed forces. Certain unnecessary structures are being eliminated. Combat subunits forming the basis of the Russian Federation's armed forces will be brought up to full strength as a result of the manpower released from these structures. [end recording]

However, the surplus engineering equipment and other property that is supposed to be returned to Russia has thrown up quite a few problems. Moldova is insisting that part of this machinery and equipment be transferred to Moldova's national army. The Russian command does not object to this in principle, but believes that the Moldovan military must make their own arrangements to move their share of the equipment out of the Dniester region. But they, in turn, are not in a position to do this since Moldova has not controlled the eastern bank of the Dniester for more than five years.

For its part, Tiraspol intends resolutely to oppose any attempt by Moldova to withdraw military equipment. The Dniester region considers that Chisinau gained enough weapons and combat materiel when the unified armed forces of the USSR collapsed. Furthermore, it fears that further reinforcement of Moldova's military arsenals could create substantial difficulties for negotiating processes.

Moldova, which is not happy with this state of affairs, is adopting countermeasures, above all by delaying the supply of railway flatwagons. This is the reason why the timetable for the dispatch of military trains has already been disrupted on a number of occasions. So, a paradoxical situation has arisen. Chisinau, which more than anybody is insisting that Russian forces be withdrawn as soon as possible, is in reality holding up this process.

Nevertheless, the interested parties do not appear to regard the return to Russia of trainloads of engineering machinery belonging to the former 14th Army as justification for a serious confrontation. As far as the weapons and combat equipment used by the Russian troops stationed here are concerned, under existing agreements their withdrawal will only become possible after a final settlement of the Dniester conflict.

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Kazakhstan

Kazakhstan: Official Comments on Pension Fraud

LD0903145296 Almaty KARAVAN-BLITZ in Russian 4 Mar 96 p 1

[FBIS Translated Excerpt] In East-Kazakhstan Region old people are protesting on a bridge, demanding payment of their honestly-earned pensions, while in Taldy-Kurgan pensioners are attacking the administration for the same reason. [passage omitted]. We decided to speak about this with Nurmakhan Isayev [transliterated] head of the supervisory department for the observance of human rights and freedoms of the Prosecutor-General's Office.

[Correspondent] Nurmakhan Moldaliyevich, leaders of all ranks usually cite economic reasons in response to pensioners' demands and to mass media reports about the untimely payment of pensions. Why has the prosecutor's office become interested in this case?

[Isayev] Assignations to the [state] pension fund have really declined lately as the economy worsens. Had the funds received been spent as intended, legally, there would have been fewer delays, I assure you. The prosecutor's office has uncovered cases of abuse in the distribution of pension funds that are of a criminal nature. An analysis of checks-up showed that violations of pension legislation have acquired a mass character in the republic.

[Correspondent] At a press conference at the Prosecutor-General's Office a phrase slipped out that, while pensioners do not know how to make ends meet, somebody is using their pensions to buy Mercedes and Ford cars. Is this allegory or fact?

[Isayev] It is fact. Here are some examples for you. During a review it emerged that the department for the social protection of the population of Atyrau Region gave credits to commercial structures from funds which were allocated from the budget to the pension fund for the purpose of paying grants. In particular, a credit was given to private entrepreneur A.K. of 14.5m tenge. Moreover, a total of 5m tenge, 5m tenge and 4m tenge have been allocated respectively to the deposit accounts of the Alembank, KRAMDS Bank and Talap [transliterated] banks. These funds were not returned in the time-scale allotted, and the department has not taken any measures. [passage omitted]

[Correspondent] Clause 44 of the Procedure for the Collection, Registration, Accounting and Spending of Pension Fund Resources of the Republic of Kazakhstan gives the right in exceptional cases of delaying or phasing the payment of arrears. However, this clause has been freely interpreted.

[Isayev] Delays have acquired a mass character, because the exceptional cases and the officials who have this right have not been specified. Thus, everybody who was too lazy to inquire ended up with delays. Even the Ministry of Social Protection last year delayed penalty payments for the untimely payment of debts 31 times, and one delay on contributions. The first deputy minister let the national joint-stock airline company Kazakhstan Aue Zholy delay payments without checking its financial position, on the strength of a letter from the head of the national joint-stock airline of Kazakhstan alone. Similar delays were permitted to the heads of the social protection bodies of Dzhezkazgan, Aktyube and Dzhambul regions. [passage omitted]

[Correspondent] Well, there is a law, and it must be obeyed. Have many infringers of this clause been uncovered?

[Isayev] Many, and in almost all regions, without the consent and permission of the [regional] leaders, moreover. For example, on the order of the first deputy leader of West-Kazakhstan Region, V. Myasnikov [transliterated], wages were paid to the Uralskvodstroy [Uralsk water construction] joint-stock company worth 2m tenge, although it had a debt of 10,244m tenge. On his orders, wages worth 11m tenge were paid to the Omega joint-stock company, which had a debt of the same amount [both firms untraced]. According to the results of the check-up, a total of 84 statements have been made, 27 illegal legal acts have been appealed against, and 15 officials have been disciplined. Investigations have been initiated, and actions to recover 2,865,618,904 tenge have been brought. A total of 15 criminal cases have been started.

Scandalous facts have been uncovered. For example, the members of the cultural-consumer commission of a rest home for the elderly in Chimkent received pensions and allowances for 20 deceased residents. Moreover, they signed the receipts, saying that the recipients were illiterate. Officials of communication institutions in Algabas, Ordabas, Sayram, Dzhetysay and al-Farabi districts and the town of Lenger have received pensions for 14 deceased pensioners. Similar cases have been uncovered in Atyrau, Semipalatinsk and West- Kazakhstan regions.

[Correpondent] Nurmakhan Moldaliyevich, is there hope of putting pension distribution in order following the transfer of the pension fund to the Ministry of Social Protection?

[Isayev] As you have seen, bodies of the Ministry of Social Protection in the provinces have violated pension legislation themselves, so order here depends on who is in charge of the fund, not on how it is dealt

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with. Officials of the Ministry of Social Security have avoided fulfilling their professional responsibilities here. Even the due registration of contributors to the pension fund has not been arranged. According to the Main Tax Inspectorate of the Republic of Kazakhstan, a total of 364,560 tax payers to the pension fund have been registered in the republic, whereas according to the Ministry of Social Protection a total of 333,810 contributors have been registered. Thus, 30,750 contributors have not been registered in the pension fund, and nearly all of them have not paid [social] insurance fees. Considerable sums are not being received in the fund. Just 58 per cent of contributors have been registered in the pension fund in Kustanay Region; in Semipalatinsk [region] - 67.5 per cent; in Alma-Ata - 77.9 per cent; and so on in all regions. The ministry has not taken any measures, despite these data.

Apart from that, the Ministry of Social Protection and its structural subunits in the provinces are themselves pension-fund debtors. At the time of the check-up by the Prosecutor-General's Office, the [Ministry] debt was 138,852 tenge.

Apart from that, local administrations, supervisory and law-enforcement bodies are pension-fund debtors in many regions. Moreover, all the departments mentioned receive their wages on time.

In such difficult circumstances, the banking institutions of some regions are using the sums transferred to the [pension] fund for their own needs. Here are the facts about Chimkent alone: the joint-stock bank Akbastau [transliterated] delayed insurance fees of more than 4m tenge for up to three months; the Abay branch of Turanbank delayed insurance fees of more than 17m tenge for up to three months as well. Similar cases also occurred in other regions, and in Alma-Ata. It is sad but true that our old people can hope to receive their pensions on time only through constant check-ups by prosecutors.

Tajikistan

Tajikistan: U.S. Delegation Discusses Peace Process

LD1003145696 Moscow ITAR-TASS in English 1327 GMT 10 Mar 96

[FBIS Transcribed Text] DUSHANBE March 10 (ITAR-TASS) - The Tajikistan peace process and bilateral Tajik-American relations are discussed by Tajikistan leaders and American delegation members who arrived here on Sunday for a brief visit.

The U.S. delegation is led by James Collins, Ambassador at large, who coordinates contacts with CIS countries at the U.S. Department of State. The delegation also includes a large group of military experts.

Washington closely follows the development of events in Tajikistan and around it and expects that the conflict situation that has developed here will be settled peacefully to general satisfaction, Mr Collins told a group of Russian journalists at Dushanbe airport on Sunday.

In the judgement of the U.S representative, the conflicting sides should extend as soon as possible the agreement on the cessation of fire and of other hostile actions. The outcome of a refusal to extend the agreement may be that the United Nations Organisation will renounce its mediatory mission in the negotiating process in Tajikistan, Mr Collins pointed out.

The U.S diplomat said the U.S. regarded with concern the report about the kidnapping of Zafar Rakhmanov, the opposition's Co-Chairman of the Joint Reconciliation Commission to monitor compliance with the ceasefire agreement, who had been taken hostage by unidentified gunmen in Dushanbe on February 24.

Mr Collins voiced confidence that State agencies that are involved in the search for the kidnapped official will take all measures to find and ensure the release of the opposition representative.

Mr Collins emphasised that the U.S. rendered and continues to render humanitarian assistance to Tajikistan, recalling that the assistance has already amounted to 100 million dollars.

Tajikistan: U.S. Delegation Meets Rakhmanov, Brings Clinton Message

LD1003150396 Moscow ITAR-TASS in English 1421 GMT 10 Mar 96

[FBIS Transcribed Text] DUSHANBE, March 10 (ITAR-TASS) — The U.S. wants a rapid resolution of the inter-Tajik conflict, says the message of American President Bill Clinton passed to Tajik leader Emomali Rakhmanov through the U.S. delegation.

The delegation, led by special envoy James Collins, arrived in the Tajik capital Dushanbe today for a brief visit.

The Tajik presidential press secretary Zafar Saidov said Rakhmanov met the delegation today. Saidov quoted Clinton's message as saying that the U.S. is ready for cooperation with Tajikistan. Clinton also wishes that Tajikistan broaden its contacts with the International Monetary Fund and other financial institutions.

Collins, who is in charge of CIS relations in the State Department, told reporters today that the parties in the Tajik-Tajik conflict should agree on truce extension as soon as possible. Further stalling of the truce might lead

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to the U.N.'s dropping its intermediary mission in the Tajik talks, Collins said.

Rakhmanov stressed during his meeting with Collins that he was as ready as ever to meet Tajik opposition leader Said Abdullo Nuri to sign a truce agreement for the entire period of peace talks, now broken off in the Turkmen capital Ashgabat.

The U.S. delegation met Tajik prime minister and other top officials for economic talks.

The delegation will leave Dushanbe on Sunday night.

Tajikistan: Rakhmanov To Ask Afghan Leader To Force Opposition to Talks

LD0803193296 (Clandestine) Radio Message of Freedom in Pashto 0730 GMT 8 Mar 96

[FBIS Translated Text] Afghan President Rabbani, head of the Kabul coalition administration, arrived yesterday in Dushanbe, capital of Tajikistan.

According to international news agencies, Rabbani will hold talks with Tajik President Emomali Rakhmanov about the Tajik mojahedin, in addition to regional issues. The report adds that Rakhmanov will exert pressure on Rabbani to force Rakhmanov's opponents to hold talks.

The Tajik mojahedin and other Tajik anti-Rakhmanov forces have affected relations between Kabul and Dushanbe.

It should be mentioned that the cease-fire between the Tajik mojahedin and Tajik Government has already ended and the Tajik mojahedin have recently won many victories.

Tajikistan: Rebel Radio Says No Deals Until Truce Observer Freed

LD1003130296 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 10 Mar 96

[FBIS Translated Text] A talk between Ismat Kittani, a special representative of the UN secretary general, and Professor Sayed Abdullo Nuri, the leader of the Islamic Movement and United Opposition Forces of Tajikistan, and his deputy, Professor Haji Akbar Turajonzoda, has been held in Tehran, capital of the Islamic Republic of Iran. The high-ranking international representative made a special visit to the region because of the increasing number of incidents.

Kittani wanted the Tajik opposition leadership to promote an extension to the cease-fire. Mr. Kittani also invited the opposition leaders to take part in a session of the regime's parliament. In reply, the opposition leaders said again categorically that the opposition will not deal with these two main matters until Haji Muzaffar Rahmoni, the leader of the opposition delegation in the UN-sponsored joint commission observing the temporary cease-fire in Tajikistan, is found and released.

Jaloliddin Mahmud, Haji Muzaffar's deputy in the joint commission, considers it impossible for him and his comrades-in-arms to return to Dushanbe until Haji Muzaffar is released and their security is guaranteed.

Tajikistan: Opposition Agrees To Extend Cease-Fire Agreement

LD1003163696 Moscow ITAR-TASS World Service in Russian 1617 GMT 10 Mar 96

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Translated Text] Dushanbe, 10 Mar — The Tajik opposition has agreed to extend the cease-fire agreement for another three months without any preconditions. However, it refused to take part in a session of the Tajikistan parliament which will open on Monday and which will be devoted to the inter-Tajik peace process, the UN General Secretary's envoy in Tajikistan, Ismat Kittani, said today upon his arrival in Dushanbe.

Tajikistan: Government Denies Serious Combat Actions Against Opposition

LD1003154896 Moscow INTERFAX in English 1408 GMT 10 Mar 96

[FBIS Transcribed Text] DUSHANBE, March 10 (INTERFAX) — Tajik government troops have not "recently" implemented any large-scale military actions against armed opposition units, Tajik presidential spokesman Zafar Saidov told Interfax, denying the statement made by Islamic opposition leader Said Abdullo Nuri broadcast by the Freedom radio station.

Nuri said the Tajik government had earlier launched several combat operations in Tajikistan's Komsomolabad and Tavil Dara regions.

Saidov said Tajik government troops "had to" recently implement "local preventive measures" in order to stop actions by "separate bandit formations" which "terrorized the local population and launched robbery attacks against government troop convoys and outposts in some populated areas of the Komsomolabad region."

"Legitimate local authorities function in the above mentioned areas," Saidov said, adding that the Tajik government controls the situation in these areas.

The Tajik leadership has not renounced peaceful solutions to the conflict or the extension of the Tehran cease-fire agreement, Saidov said.

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The Tajik government and president continue to hope that this agreement will be prolonged without any preconditions and that the agreement will be valid until the general treaty "on peace and accord in Tajikistan" is signed, Saidov said.

Saidov reiterated the statement by Tajik President Emomali Rakhmanov that he is ready to meet with opposition leader Said Abdullo Nuri at any time to consider all problems relating to the conflict in Tajikistan.

Tajikistan: Foreign Minister Criticizes Opposition's Position at Talks

LD1103095696 Moscow ITAR-TASS in English 0913 GMT 11 Mar 96

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, March 11 (ITAR-TASS) — Tajik Foreign Minister Talbak Nazarov on Monday sharply criticised opposition leaders for their "non-constructive approach to the peaceful settlement of the conflict".

Nazarov, who heads the Tajik government delegation to inter-Tajik talks in the Turkmen capital Ashgabat, spoke at a session of Tajik parliament which opened on Monday to discuss the peace process in the republic.

Opposition leaders had been invited to attend it, however they turned down the invitation citing the absence of safety guarantees.

The opposition has not accepted any of Dushanbe's constructive proposals since 1994 whet the peace process was started, he said.

Speaking of the Ashgabat round of inter-Tajik talks, he said that the opposition had been insisting on setting up a council of national accord in Tajikistan and dissolving the parliament and other bodies elected in accordance with the Constitution.

These constitutional bodies were democratically elected and many international organisations, such as the United Nations and the Organisation for Cooperation and Security in Europe, highly assess their activities, he said.

Tajikistan: Opposition Refuses To Participate in Parliamentary Session

LD1103113796 Moscow INTERFAX in English 1011 GMT 11 Mar 96

[FBIS Transcribed Text] MOSCOW, March 11 (INTERFAX) — The united Tajik opposition decided against attending a session of parliament in Dushanbe Monday, fearing their own possible death could provoke counter-actions and the dialogue between the two sides would be foiled, its leader Said Abdullo Nuri declared in a statement received by Interfax Monday.

"It is not the risk of being killed that worries us, because death in a holy war is sacred, but that the terrorism of the authorities will prompt a similar response and undoubtedly foil the dialogue and force the United Nations to recall its military observers and withdraw from the negotiations," Nuri said.

The document says 15 days passed since the disappearance in Dushanbe of a co-chairman of the joint government-opposition commission Zafar Rakhmanov and on March 5 the government security service "made two attempts to kidnap his deputy Jamoliddin Mahmudov at Dushanbe airport."

For this reason Nuri had doubts about the safety of opposition members and added that most acts of terrorism in Dushanbe and the rest of the country were conducted by the authorities.

The statement voices the readiness of the opposition leader to have a personal meeting with President Emomali Rakhmanov and fundamentally discuss all items on the agenda and in the August 17, 1995, protocol. "In a frank conversation the approaches of the sides, possible compromises and ways of settling the situation will be fully outlined. But if we fail to agree on anything, the United Nations and observer countries will draw their final conclusions concerning the authorities and the joint opposition," the statement says.

Turkmenistan

Turkmenistan: Niyazov, Afghanistan's Rabbani Discuss Bilateral Ties

LD0703142996 Ashgabat TURKMEN PRESS in Russian 0900 GMT 7 Mar 96

[FBIS Translated Excerpt] Ashgabat, 6 Mar [as received] — A meeting between President Saparmurad Turkmenbashy [Niyazov] of Turkmenistan and President Borhanoddin Rabbani of the Islamic State of Afghanistan took place this afternoon. The whole range of bilateral matters concerning political and economic cooperation between the neighboring countries was discussed in the course of the one-to-one talks. Saparmurad Turkmenbashy announced this at a meeting held by the presidents with the members of the official delegations of Turkmenistan and Afghanistan and journalists. The Turkmen head of state reiterated Turkmenistan's position regarding non-interference in the internal affairs of the Afghan state and expressed confidence that the Afghan people will make a choice in favor of peace in their land. The artificial splitting-up of the Afghan people is not in the interests of the Afghans themselves,

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who are a single whole and citizens of one state, irrespective of their ethnic origin, Turkmenbashy stressed. Turkmenistan, the head of state said, will do everything in its power to step up the peace settlement process in Afghanistan. Turkmenistan is already prepared to expand bilateral trade relations and cultural ties between the peoples, who have common history and roots. Peace in Afghanistan, Saparmurad Turkmenbashy said, is an important factor of economic and political stabilization in the entire region. This goal may be achieved only if Afghanistan is involved in implementing the processes of economic construction in the region, the Turkmen leader noted. This applies to the participation of the Afghan state in the projects to build pipelines from Turkmenistan to Pakistan and main transport routes. Saparmurad Turkmenbashy expressed confidence that peace will come to Afghan soil and that this will be the achievement of the Afghans themselves.

In his turn, President Rabbani, on behalf of the Afghan government delegation, expressed gratitude to the Turkmen leader for his invitation to visit Turkmenistan. Here we do not feel that we are guests but believe that we are among brothers, considering Turkmenistan our second homeland, Borhanoddin Rabbani said. [passage omitted]

Turkmenistan: Niyazov, Afghan President Discuss Gas Pipeline Construction

LD0703205096 (Clandestine) Radio Message of Freedom in Pashto to Afghanistan 0730 GMT 7 Mar 96

[FBIS Translated Text] Ustad [Professor] Rabbani, head of Kabul's administration, has concluded his two-day visit to Turkmenistan.

According to international news agencies, Ustad Rabbani held talks with Turkmen President Saparmurad Niyazov about the extension of a gas pipeline. This pipeline will link Pakistan and Turkmenistan via Afghanistan.

The report also says that two other foreign investors, one an American and the other an Argentine subject, have also expressed interest in this project.

Political observers have the opinion that the construction of such a project at a time when there is no central government in Afghanistan will creat enormous problems.

Turkmenistan: Military Officers To Receive Training in U.S.

LD1003174096 Moscow INTERFAX in English 1511 GMT 10 Feb 96

[FBIS Transcribed Text] ASHGABAT, March 10 (INTERFAX) — Turkmenistan will send its officers to study at U.S. military schools. This understanding was reached during a two-day visit to Ashgabat (ended on Sunday) of the chief coordinator for relations with the CIS countries of the U.S. State Department James Collins.

He told reporters before his departure he had had talks with Turkmen President Saparmurad Niyazov. Deputy Turkmen Prime Minister and Foreign Minister Boris Shikhmuradov also took part in them. According to Collins, under discussion were bilateral relations and the situation in the region, for example, in Afghanistan and Tajikistan.

Collins expressed satisfaction over the state of the bilateral economic relations and stressed "the importance of creating favorable conditions for investments" in the republic. In carrying out its economic reforms, Turkmenistan will cooperate with the International Monetary Fund, he said.

Noting "the usefulness of Niyazov's decision to build in Ashgabat an institute to study human rights, Collins said about the decision "to work together to establish democracy and favorable conditions for the human rights observance in Turkmenistan."

Speaking about the situation in the region, Collins said that the U.S. and Turkmen governments "will cooperate to reach a political settlement" of the situation in Tajikistan.

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Georgia

Georgia: Shevardnadze Views Abkhazia, Other Problems

AU0803190496 Moscow NOVOYE VREMYA in Russian Feb 96 No 9, pp 14-17

[NOVOYE VREMYA interview with Georgian President Eduard Shevardnadze in Tbilisi under the title "Georgia"; date not given: "I Am Against the Use of Force. However, Apart From Me, There Is the Georgian People"]

[FBIS Translated Text] A NOVOYE VREMYA team composed of Kronid Lyubarskiy, first deputy editor-in-chief, and editorial board members Marina Pavlova-Silvanskaya, Vadim Dubnov, and Nikolay Reshetnyak has been to Tbilisi. In our next edition, we will publish an interview with Georgian Parliament Chairman Zurab Zhvania and a report from Ajaria.

[NOVOYE VREMYA] Eduard Ambrosiyevich, both you and the Georgian Parliament recently contested elections and received democratic legitimacy, which is very important for maintaining social stability. However, at the same time, the situation in Georgia remains complex. Parliament has just adopted the budget. Does this budget correspond to economic policy as you see it or is it hindering it, if we take into account that the deficit amounts to approximately 29 percent?

[Shevardnadze] The present state of Georgia can be viewed through comparison. After declaring independence, the country was plunged into a most serious political and economic crisis. With the passing of each year, output declined, finally dropping to approximately 15-20 percent of the level in 1990. Now, there is no longer civil war and the shooting on the streets has stopped. Life became peaceful only about a year or a year and a half ago. I should say relatively peaceful because the Abkhazian conflict has still not been settled. We have set about creating the legal basis for a democratic society. The Constitution and many other laws have been adopted and Parliament and the president have been elected.

You rightly drew attention to the 29-percent budget deficit. However, it was not so long ago that Georgia practically had no budget at all. Last year, we tried to concoct something resembling a budget. The deficit then amounted to 52 percent! Now, we have succeeded in putting together a more or less normal budget that corresponds to common standards and this is already something. One can feel even a small improvement in the economy. This is the first thing.

Second, Georgia is consistently pursuing a policy of creating a market economy and a democratic state. International financial centers — the IMF and the World Bank — are seriously helping us in this. This is enabling us to emerge from the situation we are in and cover the deficit. I hope very much that we will even manage to avoid it completely next year. Of course, it is risky to make a forecast, but our calculations show that, in principle, this can be achieved. Living conditions for people in Georgia are poor and wages are low. We have used the entire scope of the present budget to relieve the situation of the socially unprotected strata that are fairly large. I hope that we will have the resources next year to bring about a more fundamental improvement in living conditions.

The "Omitted" Chapter of the Constitution

[NOVOYE VREMYA] There is no chapter in the Constitution on the country's territorial structure and on the status of its individual parts — Abkhazia, South Ossetia, and Ajaria. How are you going to fill this gap? There exist unitary states with autonomous formations and federative and confederative structures. Which of these variants suits Georgia better in its current situation?

[Shevardnadze] I believe the previous Parliament acted correctly when it left the question of territorial structure open. The Constitution presupposes that Georgia is made up of its constituent parts. At the moment, these are the autonomous republics of Ajaria and Abkhazia. What these will be called later is something that will be decided at negotiations. I assume they will become republics with their own constitutions and other attributes of statehood. Naturally, we will have to determine our position regarding South Ossetia.

The chapter of the Constitution that still has to be written along with the former autonomies will proceed from the fact that Georgia is, in essence, a federative formation. It will be difficult to build a state that is made up of relatively independent formations in any other way.

[NOVOYE VREMYA] Will only republics become federation subjects or will Georgia's historical lands such as Kakhetia and Imeretia also have this status?

[Shevardnadze] This has not been decided yet. There are serious contradictions in society regarding this question. Nobody disputes the fact that Abkhazia should become a federation subject. There are also no objections regarding Ajaria. People agree that we have to determine our position regarding the South Ossetian Oblast. As for so-called krays and historical corners of Georgia (they were called kingdoms in their time), there is some doubt on this score. That is to say, it is not clear whether we

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will have krays and whether they will become federation subjects.

I have my own opinion on this subject but, as this question is now being discussed by the general public, I do not want to air my views and predetermine events. The most important thing for us now is to resolve the problem of territorial integrity and the rest we can sort out later.

Abkhazia: Dead End or Pause?

[NOVOYE VREMYA] What kind of territorial structure are you proposing to Abkhazia now?

[Shevardnadze] We have only just completed work on a bill on this. Its essence, briefly, is as follows: Abkhazia had statehood before. There was the Abkhazian Autonomous Soviet Socialist Republic and it had its own Constitution. It will continue to have statehood in the future but, of course, in a form that does not run counter to the Georgian Constitution. Abkhazia will have such attributes of statehood as a parliament, flag, coat of arms, its own ministries and departments, judicial bodies, and a procurator's office. They will manage the economy independently and the republic will receive almost complete independence in the cultural sphere and in spiritual life.

Of course, there will remain other spheres of the economy that will require a different management. These are the railways, power engineering, and perhaps the highways. These cannot be run at the local level even if one wanted to. Abkhazia will be absolutely autonomous in everything else and will begin to resolve problems in accordance with the Constitution.

I have given repeated assurances that we are ready to grant Abkhazia autonomy at the level of the very highest international standards, as is now being done in Spain or in Russia. We are studying your experience. However, as in both federative and confederative states, there are five or six basic functions that remain in the hands of central power. These are, for example, security and the monetary and financial system. We are proposing a stage-by-stage transfer to the Georgian monetary and financial system as the Russian ruble is currently in circulation in Abkhazia whereas we have our own currency and a transfer to it will require a year or two.

We are proposing the same thing in matters of defense. At the moment, Abkhazia has its own armed forces. It will not be possible to disband them straight away. Therefore, I think that the construction of single armed forces will take some time. Guarding the borders will, of course, also remain the federation's responsibility. The border guards can be recruited from the local population. In general, the character of any territorial structure strongly depends on how it is implemented. Take, for example, the Swiss Confederation. Any unitary state would envy such centralism.

The most important principle for us is that Abkhazia is an integral part of Georgia. This has been recognized by the UN and the All-European Budapest Summit in which 52 states participated. The leaders of Russia have frequently made such statements. Our territorial integrity was also recognized at the meeting of CIS heads of state in Minsk and in the statement issued at the last summit on 19 January. Everything else can be resolved.

Is There Any Benefit From the Blockade?

[NOVOYE VREMYA] At the last CIS summit, the overwhelming majority of CIS heads of state supported Georgia and adopted a decision on the blockade of Abkhazia. Do you think that the blockade will bring the desired results? After all, there have been cases when a blockade has had the opposite effect.

[Shevardnadze] We realize that this is not the best method of achieving a political settlement. Nevertheless, the issue was raised on our initiative. All the participants in the Almaty summit signed a memorandum in which it states: If a separatist regime assumes power illegally and by force in any of the states, we pledge not to establish political or economic ties with it and to isolate it. It was also a question of stability and the nonviolability of borders. This is a very impressive document and the mass media should refer to it more often when highlighting these problems.

It is precisely on the basis of this memorandum that we raised the question of Abkhazia. Why? Because the Abkhazian leadership and Vladislav Ardzinba, the head of this regime, in particular, are deliberately delaying the negotiating process. Four months ago, they initialed a document in Moscow along with us on the political status of Abkhazia and the return of refugees. However, the day after signing it, Ardzinba recalled his delegation and refused to adhere to the agreement. For three or four months now, negotiations have got under way and then been broken off. Meanwhile, the people suffer. More than 300,000 and not only Georgians but also Russians, Abkhazians, Jews, and Armenians. All told, more than half of the population of Abkhazia — some 60-65 percent — live in exile. It is not only Georgians who have been exiled but also a significant number of Russians, Armenians, Greeks, and citizens of other nationalities. Abkhazia is becoming "Abkhazia for Abkhazians" as they were demanding there before. However, as you remember, before the

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conflict, Abkhazians made up only 17-18 percent of the republic's population.

"One Cannot Reconcile Oneself to Ethnic Cleansing"

[Shevardnadze] The Abkhazian regime carried out ethnic cleansing and this fact has been recognized by international organizations: the EU, the All-European [Budapest] Summit, and the UN. Wishing to legalize the results of the cleansing, the Abkhazian side is delaying the negotiations and does not agree to the adoption of reasonable decisions. Legalizing the results of the barbaric action would run counter to the norms of international law and human rights. Therefore, we want to speed up the negotiations. However, the Abkhazian side sometimes agrees to sit at the negotiating table, sometimes does not agree to do so. It is not fulfilling the signed agreements and rejects the accords that have been initialed. What can one do? I think it would be wrong to reconcile oneself to the fact that ethnic cleansing will be legalized, particularly in the present day. Look how the Yugoslav problem is being resolved with the participation of Russia. They have deployed tens of thousands of soldiers there and are forcing the opposing sides to abide by the conditions that they have proposed. I'm far from thinking that we should act in the same way in Abkhazia. However, some kind of sanctions are necessary.

You used the concept "blockade." This is not a blockade but a coercive measure. However, at the same time, we are making one very important exception: The people living in Abkhazia can be supplied with foodstuffs, fuel, and necessary goods, but with permission from the Georgian government. I have stated publicly: Although we ourselves are very much in need, we are prepared to supply the Abkhazian side with grain and oil products, if it requests them from us. This is because we view the people living there as our citizens.

If the CIS and Russia regard Abkhazia to be an integral part of Georgia, why then do they not recognize that its government has the right to allow or prohibit deliveries? There is a Turkish ship currently docked in the Sukhumi roadstead with 800 metric tonnes of oil products on board. I issued an order to close the port of Sukhumi and not allow vessels to dock there. Let the Abkhazians ask for permission. However, neither they nor the Turks have done so. What can be done in such conditions? I say: Let's begin talks. Phone or let's meet somewhere. We don't want people to go hungry and freeze; we don't want agricultural work to be disrupted. Let's all resolve everything in a civilized manner.

So, there is no total blockade here. One can talk about economic sanctions, but one cannot say that the Abkhazians are now isolated. They are receiving everything they need just fine. This ship is an exception. Everything else is getting through. The border has not been closed yet.

[NOVOYE VREMYA] Is it coming from the Russian side?

[Shevardnadze] Yes. All the other CIS countries are demonstrating political will and are ready to adopt political decisions and statements. The principal role belongs to Russia. Judge for yourselves, how would you act in my place? There are no talks in progress. Resolutions are adopted by the UN Security Council and at CIS summits and many agreements have been signed. A remarkable accord on a truce was signed as early as on 3 September 1993. Moreover, it was signed not only by Yeltsin, Shevardnadze, and Ardzinba but also by all the presidents of the north Caucasian republics. However, three days after it was signed, an offensive was launched in which not only Abkhazians took part....

In world practice, regimes that commit crimes before mankind and humanity are punished. What we are doing is a fairly liberal measure to force the Abkhazians to enter into negotiations and end this conflict in a normal and civilized way.

If There Is No Reconciliation, There Will Be a Permanent Hotbed of War

[NOVOYE VREMYA] Eduard Ambrosiyevich, the situation with Abkhazia is threatening to be deadlocked, if it isn't already. Are Georgia and you personally as president capable of recognizing the new status quo or even admitting defeat? If not, how probable is a military resolution of the problem? Can you rule this out completely?

[Shevardnadze] This is already the third way of resolving the problem. The first was through peaceful negotiations that have so far brought only negative results. The second involves economic sanctions, which we are now trying. However, if these do not bring results....

I myself am categorically opposed to the use of force. Such is my nature and my convictions. However, apart from me, there is the Georgian people who can replace one leader with another and reelect Shevardnadze. Georgia will never become reconciled to the fact that almost one-half million people have been left homeless and thousands have been tortured and killed. Hence, it is impossible to exclude a military resolution of the problem under Shevardnadze or anyone else now or in 10 or 15 years time. If a settlement is not reached, there will remain a permanent hotbed of war. Moreover, not only within Georgia.

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"They Didn't Listen To Me"

[Shevardnadze] I have said on several occasions on Russian television and been quoted in the press: "Chechnya begins in Abkhazia." It is precisely from here that everything started. They did not listen to me, although I proclaimed for all to hear that the killing and violence in Abkhazia would backfire on those who tolerated it. If it had been only the Abkhazians who had done all this! Yet, at the time, they constituted at most 10 percent. The rest were Russian citizens. It was from Russia that they got weapons and the most modern equipment and planes — not only Su-25's but also Su-27's. We managed to find by chance some old antiaircraft guns (there were no others) and succeeded in shooting down one Su-27 — the very "latest" model — during the bombing of Sukhumi. I later saw with my own eyes the wreckage. Unfortunately, the pilot was killed.

So, we have to restore justice through our common efforts. There are no insoluble problems between the Abkhazians and Georgians. No one oppressed the Abkhazians under Soviet rule or before it. So, it certainly will not happen now when conditions have become completely different, when the Constitution is in force in our country and personal freedoms are guaranteed.

Rectifying Mistakes

[NOVOYE VREMYA] Eduard Ambrosiyevich, you have stated publicly on more than one occasion that mistakes were made with regard to South Ossetia....

[Shevardnadze] The most appalling mistakes.

[NOVOYE VREMYA] However, given that it was [former President] Zviad Gamsakhurdia who permitted this injustice, don't you think it right that it should be amended unilaterally?

[Shevardnadze] I admitted our mistakes in their general form. However, the status of this territory should be decided at negotiations. Suppose I now revoke the decision and declare the restoration of its former status. How will the South Ossetian side respond to this? They should have said "yes": Once the status quo is restored, once the previous decision is annulled and we get back the status that we want, we will abandon our unjustified demands and remain a part of Georgia. A settlement is possible on such a basis.

To go further now and give guarantees that the previous decisions will be annulled tomorrow would probably be wrong as negotiations are in progress. Both sides have their arguments. I urge them to reach an accord. Incidentally, Russia supports this point of view.

At the moment, there are peacekeepers in South Ossetia who (unlike in Abkhazia) are doing a very important job there. They have indeed saved this land. However, I was in Moscow where I heard from people whose names I do not want to mention: "If you cannot come to an agreement among yourselves there and the Ossetians do not want to accept completely normal conditions for reconciliation, we will leave." That is to say, the Russian battalion will depart from there sooner or later. What will happen then? Without exactly putting the matter aside, all of us should evaluate the current situation with cold reason.

The Ajarian "Phenomenon"

[NOVOYE VREMYA] Against the background of all these problems, Ajaria resembles an oasis of peace and quiet. It also had its share of collisions, but it succeeded in avoiding open confrontation. How would you assess this phenomenon and what lessons can you draw from it?

[Shevardnadze] There is no Ajarian problem in Georgia today. There are many reasons for this. The overwhelming majority of inhabitants there are Georgians. If you told a resident of Batumi that he would not be a citizen of Georgia, there could be trouble. Under the former leadership, there were indeed people who had certain adventuristic ideas and plans. An investigation is currently being conducted into the actions of certain groups and it turns out that some of them were not happy with Aslan Abashidze.

I should say that he has managed to maintain stability and order in Ajaria. He used various methods to thwart armed formations from infiltrating into the country. You know, this was not a regular army but disparate groups made up of many people who had previous convictions and robbers. If they had got into Ajaria, things would have been even worse than in Abkhazia. Abashidze created self-defense detachments and, in so doing, prevented the very worst from happening.

Thank God, these problems do not exist now. People are living relatively normally in Ajaria, although there is great poverty there as well. However, there are no serious problems there. I'll tell you more. Not even in Tbilisi is so much being done to preserve and develop Georgian culture as in Ajaria. What theater productions and festivals they have there!

[NOVOYE VREMYA] To wrap up this subject and dispel all kinds of rumors.... One has heard that processes occurring in Ajaria of late could represent a threat to the stability of Georgia.... Is this so?

[Shevardnadze] Not at all. This is excluded. Certain states are trying to create problems artificially. They will not succeed. Of course, one cannot exclude certain

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misunderstandings. For example, on account of taxes and the delay in creating a free economic zone. Things are very bad in Ajaria regarding the supply of electric power. However, this is the same in any corner of Georgia. So, there are no grounds to worry about Ajaria, unless, of course, we ourselves concoct something here in the center.

The Threat That Is Capable of Destroying the CIS

[NOVOYE VREMYA] During the course of the interview, you touched on the question of the attitude of CIS states to events in Georgia. How would you assess the prospects for the CIS and its viability?

[Shevardnadze] I see in the CIS a potentially serious solid regional organization that should contribute toward the development of processes of integration in the economy, science, and culture and also toward the restoration of all the good things that were accumulated over decades by the former republics and peoples of the former Soviet Union. However, first of all, the decisions being adopted in the CIS have to be implemented. This should become our common law. I cannot say that this is the case now. It would be useful for us all to reflect a little: If it is our desire that the CIS should last for many years and if we want to turn it into a regional organization, its resolutions have to be implemented.

Second, we have to remove the threat that can be heard at times in various political circles in Russia or in other corners of the CIS: It is on the basis of the CIS that the Soviet Union can be restored. I believe this is a delusion that can undermine the CIS. It will develop only on condition that, as an international association, it will promote the formation of independent states. It is on such a foundation and on the basis of trust between them that processes of integration will be able to develop on such a scale that will allow us really to build new relations. However, if the threat that I mentioned remains, it will begin to feed mistrust and suspicion. We have to take into account that all the agreements and accords signed by the heads of state are subject to ratification by the parliaments. However, these are not all the same and are not always in agreement with the presidents.

Take, for example, Georgia. I did not hurry joining the CIS because society was not ripe enough for this. When the conditions became ripe, I, personally, took this decision. So, I think the CIS does have a future under normal conditions.

Georgia: Politician Calls For Regaining Abkhazia by Force

LD0803141096 Tbilisi IPRINDA in Russian 1310 GMT 8 Mar 96

[FBIS Translated Text] Tbilisi, 8 Mar (IPRINDA) — Tamaz Nadareishvili, chairman of the [Tbilisi-based] Supreme Council of Abkhazia addressed a session of the Abkhaz Supreme Council today with the following: "We failed to return to Abkhazia by political means, that is why we must combine force with politics."

Abkhaz deputies said at the session that [Abkhaz] separatists are still receiving getting financial support from Russia. Russia's private banks are transferring large sums to the Abkhaz. Thousands of tonnes of flour were delivered to Abkhazia from Stavropol on 24 February. All of this is happening at a time when economic sanctions — as a means of oppressing Abkhazia — should have been introduced, as provided by the 19 January CIS summit. General Yakushev is playing a double game. He promises Georgia the same as he promises Abkhazia.

The chairman of the Abkhaz Supreme Council then read a draft resolution which says: "Georgia must regain Abkhazia by combining force with political methods. The activity of the [Abkhaz] separatists must be assessed as ethnic cleansing and [Abkhaz separatist leader] Vladislav Ardzinba must face an international tribunal. The Russian president must start implementing the decisions of the 19 January [CIS] summit. The issue of the withdrawal of peacekeepers from Abkhazia must be put on the agenda. Georgia's jurisdiction must be restored in Abkhazia."

The draft resolution will be presented to the Georgian parliament for consideration.

Georgia: Foreign Ministry Issues Statement on Abkhaz Mine Blast

LD1103114496 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 11 Mar 96

[FBIS Translated Text] Here is a statement from the Georgian Foreign Ministry:

On 9 March 1996, a car belonging to UN military observers was blown up by a mine near the village of Pirveli Gali in Gali District, Abkhazia, Georgia. One UN observer was killed and several other persons travelling in the car, including a Georgian female interpreter, were seriously wounded.

The Georgian Foreign Ministry expresses profound sympathy in the connection with the incident and states that the responsibility for it lies squarely with the

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Abkhaz separatist regime, which controls the territory where the incident took place.

At a time when the Georgian authorities, with the assistance of the United Nations and CIS countries, are sparing no efforts for a peaceful settlement of the conflict, the Abkhaz separatists continue provocative activities such as systematic bandit attacks and the taking of civilian hostages. The terrorist act committed against the UN observers reveals the separatist regime's intention to resort to any means to wreck the peace process.

The Georgian Foreign Ministry believes that this barbaric act will not weaken the UN's efforts for a peaceful settlement of the Abkhaz conflict.

Georgia: Shevardnadze on Caspian Oil, Caucasus Peace

LD1103123196 Tbilisi Radio Tbilisi Network in Georgian 0608 GMT 11 Mar 96

[Studio interview with Georgian President Eduard Shevardnadze by correspondent Nato Oniani — live]

[FBIS Translated Excerpt]

[Oniani] Mr. President, a visit to Georgia by Azerbaijani President Heydar Aliyev is probably the most significant event of the past week. We spoke about this visit and anticipated its great significance during your interview last Monday. To sum up briefly the results of the visit, they are as follows: 14 agreements have been signed. These include a treaty on friendship, cooperation, and strengthening relations between the two countries; a declaration on peace, stability, and cooperation in the Caucasus; and an agreement on Caspian oil transit through Georgia. We may say that the implementation of the idea of the Europe-Asia corridor has already started. On one hand, Georgia is becoming a transit country, and on the other hand, Caspian oil is becoming a factor of political stability.

[Shevardnadze] Good morning. You have actually answered some aspects of the question yourself when you mentioned the agreements signed during the visit. However, I find it possible to dwell on some issues.

Last week, political and economic life of the republic was full of important meetings at the international level. Obviously, the visit by Azerbaijani President Heydar Aliyev is the core of the week's activities. A delegation, which accompanied him, included the republic's prime minister and heads of most of the ministries and departments. I will not exaggerate if I assess the visit as a crucial occasion aimed at balancing and developing both the current and strategic political and economic interests of the two countries as well as of the whole Caucasus. The signatures of the leaders of the two countries have endorsed a declaration on peace, security, and cooperation in the Caucasus. We also signed three parcels of agreements, as you have already indicated, relating to the transportation of Caspian crude oil through the Georgian territory, agreements on trade, investments, communications, maritime shipping, agriculture, food production, and other spheres. These will make a foundation for the new stage of relations between the two countries. In my view, a really historic deed has been accomplished, and this is exactly how citizens of Georgia understand the visit, a very important visit.

Also last week, a meeting between Iranian Foreign Minister 'Ali Akbar Velayati and the Georgian president indicated that the agreements reached during a visit to Georgia by President Rafsanjani were gradually coming into force. Iranian power engineers have already started work at the Zhinvali hydro-electric station [north of Tbilisi]; the implementation of an agreement with the Kutaisi [western Georgia] vehicle assembly plant has begun; and a delegation will arrive soon to settle issues relating to the activities of the customs services.

Georgia's prestige in the region has been demonstrated by the invitation the Georgian president received from the presidents of Turkmenistan and Iran to participate in the opening ceremony of the Mashhad-Sarksi railway section. Naturally, apart from the celebrations, there will be meetings and interesting dialogues and conversations.

There was an important meeting with the head of the UN directorate for emergency humanitarian aid, where we concluded that the situation in Georgia was still grave enough to convince donor countries that it was essential to extend the terms of providing Georgia with humanitarian aid at least for another year. Meanwhile, we shall have to accumulate all our strength to become capable of meeting our own requirements.

I would attach special significance to my meetings with the chairman of the Turkish Grand National Assembly. We analyzed political processes and discussed Georgian-Turkish economic relations within the framework of a Europe-Asia corridor, which included the construction of a so-called westward oil pipeline and the creation of an appropriate infrastructure. The fact that Georgia was the first foreign state the chairman of the Turkish Grand National Assembly visited officially is also significant. We also held a very important conversation on the issue of peace and stability in the Caucasus.

The internal economic life was also significant and full of actions during the past week. A review of the first two months of the government's activities showed that the

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process of improving economic situation, which started last year, continues this year too even against the background of an acute energy crisis. As a result, the economic growth has become an indicator of macroeconomic stabilization. According to reports by the Economy Ministry over the two months, the produce of the state-run sectors has increased by 25 percent as compared with that of the corresponding period last year. Indeed, this growth is noticeable because the market index of the state-run enterprises was too low last year. But, as we have repeatedly said, the main thing is the trend for growth and 25 percent is a fairly high indicator. In addition, taking into account the growth in the private sphere, we can say that the rate of growth is close to annual forecasts given in the president's election program. You know, that annual figures were estimated as 7-10 percent. [passage omitted: names, provinces, and towns which achieved production growth]

However, the general situation is still far from desirable. Suffice to say that over half of nearly 800 industrial enterprises were at standstill or were operated at a reduced load. Neither do private enterprises work at their full capacity. [passage omitted]

A government meeting outlined measures to achieve adequate distribution of financial means between the state budget and territorial budgets in order to secure timely reception of revenues to the central budget, to implement objectives and tasks for increasing revenues to territorial and central budgets, and to secure the fulfillment of planned goals. It is essential for securing timely payments of salaries, pensions, stipends, and so on.

Tax revenues constituted 4.5 million lari in the first week of March, following the abolition of individual tax benefits from 1 March. Over 30.5 million lari has been paid into the budget by the Tax Inspectorate since the beginning of the year, this being in accord with estimated objectives and exceeding last year's results by 15 million lari. [passage omitted: Shevardnadze hopes the newly appointed management of the customs department will improve the situation]

According to reports from the Finance Ministry, if by 29 February, almost 18 million lari was credited to the credit account of the central budget, by 7 March the sum increased to 21.5 million lari, demonstrating a 20 percent rise. [passage omitted]

According to estimates by the Finance Ministry, given the current trend for growth, the objectives for the first quarter of the year will be fully met.

The government meeting also discussed steps taken by local authorities to secure the implementation of a presidential decree on paying off debts for consumed electricity. Although, as the Sakenergo [Georgian energy] department reports, there is an obvious turn for better in the situation and 45 percent of the costs of consumed electricity has been received, which never happened during the past five years, the situation is still grave and debts to the Sakenergo department exceed 115 million lari. We have to keep in mind that the cost of imported natural gas required by the power engineering system only in March reaches 3.5 million lari. Although a part of the costs has already been paid, the remaining must be paid in the very near future. Therefore, it is necessary that customers pay off the remaining debts in full and as soon as possible.

It is not ruled out that during my visit to Moscow [scheduled later in March] we shall come to an accord to import electric power from Russia, for which we shall have to pay. If this is settled, we shall have sufficient additional resources starting from the summer to avoid the present scale of the energy crisis during the next [winter] season.

[Oniani] If you do not mind I will go back to Mr. Aliyev's visit. We can say that conflicts caused by separatism make a major and painful problem for the post-Soviet countries. A declaration of peace, cooperation, and stability in the Caucasus, otherwise referred to as a declaration for the peaceful Caucasus, has been signed in Tbilisi. It is expected that the Tbilisi document will play a significant role. And yet another point. What are the reasons for delaying the signing of such an important document as a comprehensive treaty with Azerbaijan? Indeed, time was needed and a decision had to be taken to prepare a parcel of agreements on Caspian oil but the mutual interest between Georgia and Azerbaijan has always existed. I can recall that active movement toward this country began from the very day you arrived in Georgia in 1992. And it is only now that we signed the comprehensive treaty with Azerbaijan, although we have had treaties like that with Turkey, Iran, Russia, Ukraine, France, and others. Why did it happen? What was the reason of such a delay in signing a treaty with the closest neighbor?

[Shevardnadze] I will first answer the final question and then I will speak briefly about the declaration on the Caucasus.

You are well aware that we never spared efforts. During my visit to Baku, we signed a certain number of agreements. But the quality of relations with Azerbaijan required long work to prepare the agreements we have just signed. Both countries had to get prepared for this.

As far as the Tbilisi declaration is concerned, the fact that we proposed this initiative when the ground for

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this had matured and the whole world had focused its attention on the Caucasus with its states and peoples constitutes the significance and importance of the declaration. The Caucasus is no longer an object of interest for a single state or a group of states. Our region is in the field of vision of the world's leading states. The peaceful Caucasus meets their national as well as global interests.

The importance of the declaration is conditioned by the fact that in order to secure stability in this most complicated region of our planet, the Caucasus factor will play a major role in a struggle for the peaceful Caucasus. We, the peoples residing here, have age-old traditions of neighborly relations, friendship, and even kinship. So, why not remember and bring to life the wise legacy of our ancestors? I would say that the declaration will have a historic significance with regard to the region as well as at a broader scale.

Many people in the Caucasus think the same way as the declaration provides. An idea of a Caucasus dialogue was brought up by Akhsarbek Galazov [North Ossetian president] a long time ago. He then reiterated his proposal and now, as far as I know, he is suggesting certain mechanisms.

I am convinced that my meeting with Boris Yeltsin in Moscow will produce the result of major significance for building the peaceful Caucasus. As you may recall, an agreement in principle has already been reached. Naturally, without Russia's leading role, any talks about the peaceful Caucasus will certainly be ruled out.

I have great expectations from a visit to Georgia by Armenian President Levon Ter-Petrosyan, about which we agreed in principle during the 19 January CIS summit in Moscow. My visit to Turkey is scheduled for early April. Naturally, the peaceful Caucasus will be the principal topic of our dialogue.

Some other steps have also been planned but it may be premature to announce them at the moment.

Speaking about the strategic interest of many states in the Caucasus, I also mean a Europe-Asia corridor — indeed it was mentioned in your question — which no longer is a wish and a proposal but is a real project that is already funded and that even functions in a way and the main artery of which is the Caspian oil pipeline. It will be followed by gas pipelines, motorways, railway, air routes, and many other facilities connected to this "silk route," as it is called in history. So, all this is in action now and all this comes in force.

[Oniani] Thank you.

Georgia: Shevardnadze Discusses Reasons for Caucasus Conflicts

AU1003201796 Berlin DIE WELT in German 7 Mar 96 p 4

[Article by Georgian President Eduard Shevardnadze: "Walking the Caucasus Tightrope"]

[FBIS Translated Text] Why has the Caucasus region with its highly interesting potential, varied landscape, and industrious people become a crisis flashpoint? As early as 1992, at the UN General Assembly in New York, I sought to draw attention to the Caucasus as one of the most complicated regions in the world, one marked by ethnic and religious tensions. At that time, an armed conflict had already erupted in Georgia and the Autonomous Republic of Abkhazia. Unfortunately, however, it was only once the conflict had radically intensified at a cost of thousands of victims and great destruction that the Caucasus found itself at the center of general attention.

Alongside Georgia, Azerbaijan, and Armenia, which have traditions of statehood going back hundreds of years, the region is also inhabited by many other peoples. Tensions have grown against the background of the new social and political conditions that have come to replace "totalitarian stability." We can observe how conflicting demands are often the consequence of clashes between the interests of various forces, including mafia forces, which don a political cloak but are actually fighting to gain control of economic resources.

Many positive processes have developed since the collapse of the Soviet Union. New independent states have emerged, the conflict between East and West has been settled fortuitously, Germany has been reunited, and the peoples of Eastern Europe have freed themselves from totalitarianism. At the same time, however, destructive forces have also come into being and they have demonstrated that they are quite strong. They have been responsible for ethnic cleansing, tens of thousands of deaths, and the expulsions of hundreds of thousands of people.

Unfortunately, there are no easy solutions for the rapid and peaceful settlement of these highly dangerous conflicts. It is of key importance that the norms of international law be observed and that assistance be given to ensuring that the territorial integrity of a given state is maintained. It is equally important to prevent all manners of alliances between forces and interests inspired by nationalism, aggressive separatism, and fundamentalism. It would otherwise be impossible to stop processes leading to disintegration in the Caucasus, the CIS, and elsewhere in the world.

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The peoples of the northern Caucasus need time to recognize the importance of cooperation clearly. However, time is scarce. There is a danger that we will shortly witness the eruption of dozens of conflicts throughout the region, a danger with incalculable consequences. All this will strengthen fundamentalism in the region — but not only there — and hinder if not strangle the process of democratization that has started in the Transcaucasus.

Nevertheless, democratization in Georgia has yielded palpably positive results. If the peaceful development toward more democracy fails, the Caucasus region will be unable to perform its transit function between Central Asia with its wealth of resources and Western markets.

Contemporary civilization knows examples of coexistence based on tolerance between various nationalities and faiths. There are such examples and they should serve as a point of orientation, as a goal for mankind. However, there is hardly sufficient time to achieve that in the Caucasus. There are also no recipes for creating such models in so short a space of time, a period of time that is no more than a few seconds viewed from the angle of history. All this makes it necessary to develop a uniform and coordinated policy for the Caucasus. This is something that is required of the appropriate international organizations, the industrialized states and Russia.

The development of the region should proceed flexibly, but it should lead to more and more stability at the same time. That will only be possible if political conflicts are checked and the extensive economic projects are realized successfully.

The entire civilized world must have an interest in neutralizing causes that can provoke confrontation or fundamentally destabilize the situation. Everyone should support the political, social, and economic reforms. Foreign Minister Klaus Kinkel showed a particular interest in this regard during his visit to Tbilisi. I am happy to have this opportunity to welcome the actions of the FRG Government in this field.

Georgia: Shevardnadze, Aliyev Hold News Conference

LD0803193996 Tbilisi BGI in Russian 1745 GMT 8 Mar 96

[FBIS Translated Text] Azerbaijani and Georgian presidents Geydar Aliyev and Eduard Shevardnadze held a news conference today. Here is a report by BGI correspondent Inga Dadiani:

The news conference was held following the signing of 14 agreements between Azerbaijan and Georgia.

Eduard Shevardnadze: I will use notes to be brief and not to omit anything. Geydar Aliyev's visit is a significant and even historic occasion for Georgia.

A legal and treaty foundation for further relations between our countries has been established. I would place special emphasis on the treaty on friendship, cooperation, and neighborly relations. While discussing regional problems, we adopted a Declaration For the Peaceful Caucasus which determines ways of achieving peace in the region.

Georgia has already been chosen as a transit route for Caspian crude oil. It is difficult to overestimate Geydar Aliyev's role in this and we bow our heads before his wisdom. A package of documents has been signed together with the Azerbaijani president, Azerbaijani oil company president Natik Aliyev, and Terry Adams, a representative of the International Oil Consortium.

An investment promotion and protection agreement has been signed as well as agreements on free trade, agriculture, maritime shipping, civil rights and others. A declaration on cooperation between justice ministries and a protocol on consultative cooperation between the ministries of foreign affairs of the two countries have also been signed.

Geydar Aliyev: Eduard Shevardnadze has told you all the details. I would like to add that I fully agree with his stand on all the issues.

I would attach particular significance to the signing of the declaration on peace in the Caucasus. This is the first political paper which shows a path to establishing peace in the region. The declaration is open to other countries for signing.

Documents pertaining to oil transit are of profound significance both for Georgia and Azerbaijan. But, besides, this is a route of friendship between our countries and future generations will value it.

We feel at home here. Thank you very much for such a warm welcome. The first hours of our visit to Georgia justify our hopes. I confirm our invitation to Eduard Shevardnadze to pay an official visit to Azerbaijan.

Then questions followed.

[Question] An agreement on transporting oil through Georgia has been signed and Russia has lost part of its influence in the Caucasus. How do you think it will try to restore its influence?

[Shevardnadze] You should not look for problems in the choice of the route. The choice does not imply confrontation with a third state.

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[Aliyev] No one has lost anything with this. Everyone has gained something.

[Question] How will the declaration on peace in the Caucasus be implemented in reality?

[Aliyev] We have displayed important initiative and nothing can be superior to this. It will, indeed, be difficult to implement it. But we shall try and I hope common sense will prevail.

[Shevardnadze] The United Nations, the CIS, European structures, and Russia are dealing with the Caucasus. We have not managed to use the Caucasus factor yet but I hope that our initiative will become an incentive for establishing peace in the region.

[Question] Could you comment on the situation in Chechnya?

[Aliyev] You are aware of the situation in Chechnya better than I am. I would not like to assess it now. But I would like to state that we have always opposed separatism.

Georgia: Shevardnadze Lauds Aliyev Role in Oil Transit Issue

LD0903194696 Tbilisi First Program Television Network in Georgian 1701 GMT 9 Mar 96

[FBIS Translated Excerpt] At a festive ceremony in the function room of the Ivane Javakhishvili Tbilisi State University today, Azerbaijani President Geydar Aliyev was awarded an honorary doctor's diploma of Tbilisi State University. [passage omitted]

A speech was delivered at the festive ceremony by Georgian President Eduard Shevardnadze. He said:

[Begin Shevardnadze recording] I would like to welcome to this sacred building the Azerbaijani president, who is our friend, my brother and the acclaimed leader of his people, and to congratulate him on the doctorate of Tbilisi State University, which is one of the highest awards.

Geydar Aliyev did the impossible in order to ensure that oil, which is Azerbaijan's and the Caspian Sea's main treasure, goes through Georgia. It was a great diplomatic and political struggle. If not for his will, the decision would have been impossible, the Georgian president said. [passage omitted]

Georgia: Agreements With Azerbaijan During Aliyev Visit Listed

NC1003110896 Baku TURAN in English 1310 GMT 9 Mar 96

[FBIS Transcribed Text] Tbilisi/09.03.96/TURAN — Yesterday there was signing of packet of agreements and treaties within the framework of the visit of President Aliyev to Georgia. They are:

— Agreement on friendship, cooperation and strengthening of mutual security between Georgia and Azerbaijan Republic;
— Declaration on peace, security and cooperation in the Caucasian region;
— Intergovernmental agreement on development and updating of several existing means of oil shipment, development of new means for oil shipment and transit of oil with these means on the territory of Georgia;
— Agreement between the Georgian Government and the consortium of oil companies;
— Agreement on construction and exploitation of oil pipeline between Georgia's oil corporation and the consortium of foreign oil companies;
— Treaty on legal assistance, legal relations on civil, family and criminal cases;
— Protocol on results of negotiations between governmental delegations during President Aliyev's visit to Georgia;
— Intergovernmental agreement on free trade;
— Intergovernmental agreement on encouragement and mutual protection of investments;
— Intergovernmental agreement on principles of trade-economic cooperation;
— Intergovernmental agreement on production cooperation;
— Intergovernmental agreement on trade navigation;
— Agreement between Foreign Affairs Ministries;
— Intergovernmental agreement on cooperation in field of agriculture and food products;
— Document on cooperation between Georgia's and Azerbaijan's Ministries of Justice.

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